FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

No. 28,280 Saturday September 27 1980 ***25p

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 28; DENMARK Kr 5.00; FRANCE Fr 4; GERMANY DM 2.0; ITALY L 800; NETHERLANDS Fl 2.0; NORWAY Kr 5.00; PORTUGAL Esc 45; SPAIN Pta 70; SWEDEN Kr 5.00; SWITZERLAND Fr 2.0; EIRE 25p; MALTA 20c

NEWS SUMMARY

GENERAL

Evans denies TUC 'purge'

Mr. Moss Evans, Transport and General Workers Union general secretary, yesterday fiercely denied that the TGWU was "purging" Right-wingers from senior TUC posts.

Mr. Tom Jackson of the Union of Communication Workers bad earlier said TUC leaders like himself "in favour of free speech" were in danger of being ousted.

But Mr. Evans said there was no connection between the two TUC committee changes this week, and he would consult his legal department if allegations of conspiracy persisted.

Back Page; Cracks showing, Page 17

Labour-union rift

A rift between the Labour Party's national executive and the unions emerged when Left and Right wing executive members joined tn reject union demands for more control of Party finances. Page 4

Neo-Nazi attack

A neo-Nazi group "European Nationalist Fasces," claimed responsibility for machine-gun attacks on Jewish buildings and monuments in Paris early yesterday.

Unwatchable

West Ham will play Castilla of Spain at home on Wednesday but, after crowd disturbances in their Madrid match last week, no spectators will be allowed in, the European Football Union ruled.

Murder sentence

Rolf Clemens Wagner, alleged to belong to the Baader-Meinhof group, was sentenced to life imprisonment for murder by a Swiss court after a Zurich bank raid last November.

Belfast plea

Lord Mayor of Belfast John Carson urged the Government to remove the security "ring of steel" protecting the city from bomb attacks, saying violence had declined recently.

Trains wait on

Berlin railways remained paralysed as many West German employees of the East German Reichsbahn refused to return to wnrk after a nine-day strike.

PLO protest

Malta's proposal that the Palestine Liberation Organisation he invited to the Madrid European Security Conference in November drew U.S. protests.

Pakistanis die

Two Pakistani soldiers died when six Afghan helicopter gunships attacked a frontier post 100m north of the Khyber Pass, Pakistani President Zia-ul-Haq said.

Athletic success

Britain and the U.S. each won five events on the opening day of China's first big international athletics meeting. Four of Britain's wins went to women.

Pedal power

Oeystein Mollat, 14, became the first cyclist caught by Norwegian police radar control while pedalling at 57kph (35.6mph) in a 50kph zone. He got off with a warning.

Briefly . . .

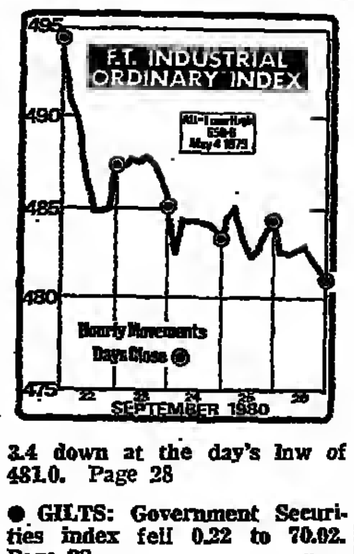
Mrs. Gwen Matthewman of Yorkshire claimed a world knitting record of 109 stitches a minute.

Father and his two sons were jailed for life at the Old Bailey for killing a publican with "ferocious violence."

BUSINESS

Equities 3.4 off; Gold up $3

● EQUITIES continued to ease, the FT 30-share index closing



3.4 down at the day's low of 481.0. Page 28

● GILTS: Government Securities index fell 0.22 to 70.02. Page 28

● STERLING fell 70 points to close at $2.3920. Its trade weighted index remained at 76.1. Page 27

● DOLLAR showed mixed changes, improving to DM 1.8015 (DM 1.7980) but slipping to Y211.50 (Y214.70). Its index was unchanged at 83.8. Page 27

● *GOLD rose $3 to close at* $698.5. Page 27

● *WALL STREET was down* 16.81 at 939.16 shortly before the close. Page 24

Ministers fear rush for aid

MINISTERS fear a spate of demands from State industries for more public funds, following the announcement of £400m extra for the British Steel Corporation. Back Page

● RANK TOSHIBA, the television manufacturer, may be closed by its two parent companies, who see little chance of it making a profit. Back Page

● MERIDEN motor cycle cooperative may be given a fresh start by nearly £8m in loans, interest and credits being written off. Back Page

● TEREX, the earthmoving equipment division of General Motors, is to be taken over by Mr. Horst-Dieter Esch, chief executive of the IBH group. Back Page

● SHELL UK has warned the Government that holding back production of North Sea oil may set an "unfortunate" example to other producing countries. Page 3

● NESTLE, the foods group, is *ceasing its UK production* of sugar confectionery and preserves, and restructuring its chocolate output. About 600 jobs will be affected. Page 4

LABOUR

● TALKS were takin gplace at *ACAS last night in an attempt to* prevent a strike by construction crane operators in the engineering union.

● SHOP STEWARDS at Cummins Engines' Shotts plant near Glasgow will meet management to discuss alternatives to nearly 300 redundancies. Page 4

● UNION of Communication Workers *says double the job* losses estimated by Post and Telecommunications management will result in the next 10 years from the introduction of new technology. Page 4

COMPANIES

● TALBOT UK, the former Chrysler concern, announced a first-half loss of £19.56m, compared with a previous loss of £17.43m. Page 18

● GROUP LOTUS Car Companies increased pre-tax profits *from £567,000 to £1.28m* in the year to December 28, 1979. Page 18

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES						
Barratt Develops.	168	+ 7		Asscd. Paper	32	− 3
Bestobell	313	+ 9		BTR	362	− 6
Brown and Jackson	92	+ 12		British Sugar	250	− 5
Haden Carrier	151	+ 5		Eurotherm	278	− 8
Hillards	180	+ 10		Hoskins and Horton	58	− 10
House of Fraser	136	+ 4		ICL	162	− 8
Kwik-Fit	98	+ 6½		Kleinwort Benson	228	− 6
KCA	148	+ 7		Negretti & Zambra	30	− 6
Warrior Resources	480	+ 70		Plessey	231	− 7
Ashton Mining	152	+ 4		Rank Org.	156	− 4
Northern Mining	125	+ 5		Tilbury Contracting	187	− 30
Spargos Explor.	48	+ 4		Toye	58	− 9
				Union Discount	500	− 20
FALLS				Vickers	127	− 6
				Williams and James	92	− 13
Excheq. 10pc 1983	£92¾	− ¾		Sun Oil	475	− 85
Treas. 11¾pc 1989	£92¾	− ¾		Anglo-Amer. Gold	£53⅞	− 1¼
Alexanders Discnt.	263	− 7		Minorco	610	− 30
Allen Harvey Ross	375	− 10		RTZ	468	− 7

IRAN and Iraq have agreed to receive a "goodwill mission" appointed by members of the Islamic Conference to discuss the possibilities for a settlement of the conflict.

IRAQ has brought its all shipments to a virtual standstill. The Iraqi National Oil Company has reported oil installations had suffered extensive damage.

IRANIAN fighter-bombers struck oil installations again yesterday. They attacked Basra, Mosul and Kirkuk, where pipelines and pumping stations were the main target.

OPEC may delay oil cuts as Iraq stops exports

BY RAY DAFTER, ENERGY EDITOR

THE WORLD'S second biggest *oil exporter, Iraq, has* brought its shipments to a virtual standstill because of the war with Iran. The *Iraqi National* Oil Company has told major customers that oil installations hava suffered "extensive damage."

The loss of Iraqi exports—some 2.5m barrels a day—and Iran's oil shutdown may force Western nations soon to begin drawing down their large stocks of crude oil and products.

But it seemed last night that some of the other members of the Organisation of Petroleum Exporting Countries (OPEC) were postponing planned production cutbacks in order to stabilise the supply and demand balance.

Mr. David Howell, Britain's Energy Secretary, said in Washington *he understood* that countries projecting a 10 per cent reduction from Wednesday were now prepared to put their plans "on ice." The reduction could have cut more than 1.5m b/d from world supplies if, as intended, Iraq and Iran had joined the arrangement.

Mr. Howell said he had learned of OPEC's decision on the postponement from oil officials in Venezuela. He quoted Dr. Humberto Calderon Berti, the Venezuelan Oil Minister, as saying that, in the present situation, it was "very important for all sides to act in a moderate way and not to seek to exploit the situation."

The extent of the damage to Iraq's oil installations is not known, although it has been clear in recent days that Iran in particular has been concentrating its attacks on refinery, storage, pipeline and port facilities.

Iranian Phantom fighter-bombers again struck yesterday at oil installations, hitting targets at Kirkuk, Mosul and Basra on the Shatt al-Arab waterway. Iraq has admitted damage to oil facilities at Kirkuk where the main Iranian targets were thought to have been the pipelines and pumping stations that carry Iraqi crude through Syria and Turkey to the Mediterranean.

The refinery and petrochemical complex at Basra is believed to have been seriously damaged. Yesterday, there were again thick palls of smoke rising over the area. Syrian officials in Damascus said that they had been contacted from Baghdad about the re-opening of the pipeline to Tripoli in northern Lebanon, which has not been used for four years.

As a result of yesterday's announcements, spot market prices rose sharply. The value of a barrel of average light Middle East crude was said to have risen by $2 (83p) to $34.

Government and the International Energy Agency (IEA) remained calm, saying that the record level of stocks in the world—the equivalent of over 100 days of consumption—provided sufficient insurance against an early shortage or significant price increase.

"We have time to think and *to consider carefully the situation* before taking any action," said a senior official of the IEA's emergency committee. He added that, at present, there was no move to trigger the agency's emergency oil sharing scheme, although supplies had already fallen below the activating reference level.

There are, as yet, no plans to call off a two-month exercise among member governments, of the IEA, starting next week. It will be a major operation aimed at simulating emergency arrangements in the light of a *notional cut* back in oil supplies.

Only two of Iraq's major customers are members of the IEA: Japan, which relies on Iraq for about 8 per cent of its total oil imports, and the UK which, in the first half of this year, was buying some 120,00 b/d of Iraqi crude, about 6.6 per cent of its total oil requirement. Energy Department officials said they were not alarmed given the large oil stocks—last month they were the equivalent of 107 days of supply—and the ability to increase output from some North Sea fields. Next week, the Murchison Field is due to be brought on stream.

The other major importers of

Continued on Back Page
Editorial Comment, Page 16
Map, Page 2

Importers of Iraqi Oil

	'000 b/d	% of total oil imports
Japan*	384	8.3
France*	536	22.4
Italy†	446	19.5
UK*	123	11.4
Spain†	117	11.2
Brazil‡	500	47.1 (est.)
India‡	128	26.7 (est.)

Iraqi production:
3.4m b/day (1st qtr. 1980)
3.3m b/day (2nd qtr. 1980)

THE WORLD OIL BALANCE

1st Half	
Non-Communist production	49.5m b/d
World production	64.0m b/d
2rd Quarter	
Non-Communist consumption	48.0m b/d
World consumption	61.5m b/d

* 1st quarter, 1980. † 1979. ‡ Current.

Source: U.S. Central Intelligence Agency and industry estimates.

Howell scales down plan for BNOC sale

BY ELINOR GOODMAN

THE GOVERNMENT has scaled down its plans to open up the British National Oil Corporation to the private investor.

Mr. David Howell, the Energy Secretary, is expected to announce at the Conservative Party conference, which starts on October 7, that there will be no sale of equity stakes in BNOC. Instead, the Government is likely to restrict itself to the public sale of bonds, the return on which will be linked to BNOC's revenues on its profits.

The door may be left open for an equity sale at some later date but it will be clear from the announcement that the Government has had to accept that there are considerable obstacles to such a major restructuring of the corporation.

The decision not to go for an equity sale at present will come as a major disappointment to the Conservative Party, which has seen the injection of private-sector capital into BNOC as a bench mark of the Government's determination to implement the party's manifesto commitment to sweeping back the frontiers of nationalisation.

It also represents a dilution of Mr. Howell's own earlier hopes. He had originally argued that a sale of equity should provide the main vehicle for privatisation, and brought forward several proposals to that effect.

But all met with opposition, both from BNOC itself and from other Government departments. Some of the objections were practical and some more fundamental. There was considerable worry, for example, about how the Government could retain control over such a valuable asset if it sold off equity. The Treasury was also concerned about the possible loss of profits—and valuable revenue—to the Government.

It had been hoped within the Conservative Party that the announcement of a full-scala equity sale in BNOC might form one of the few pieces of good, hard news at this year's party conference to reward the rank and file for their loyalty.

To hearten Tory delegates, Mr. Howell may emphasise tha opportunity the revenue bonds will give ordinary investors to benefit from Britain's oil wealth.

Both sides accept peace moves

BY OUR FOREIGN STAFF

IRAN AND Iraq agreed yesterday to receive a "goodwill mission" appointed by co-members of the Islamic Conference to explore the possibilities for a settlement of the conflict. This is the first diplomatic breakthrough since tha war began eight days ago.

Meeting in New York under the chairmanship of Mr. Agha Shahi, Foreign Minister of Pakistan, the Islamic countries proposed that Pakistan's head of state, General Zia Ul-Haq, and the secretary-general of the conference, Mr. Habib Chatty of Tunisia, should undertake tha mission.

It is assumed, that they will son travel to Teheran and Baghdad for meetings with President Abolhassan Bani-Sadr and President Saddam Hussein. It is not yet clear, however, whether the mission will be abla to go beyond fact-finding and mediate formally

The move came as fighting continued on the ground, with Iraq battling on to achieve its immediate campaign objectives in the face of determined Iranian resistance.

Confusion over the West's diplomatic reaction to the crisis cleared somewhat when American officials confirmed that the U.S. was ready to *arrange a meeting of its key* allies to minimise the effects of the fighting on international oil supplies. But they denied that President Jimmy Carter was seeking to organise a joint Western naval task force to stand by in the Gulf area.

A similar denial came from Chancellor Helmut Schmidt in Bonn, who said that West Germany would not take part in a joint force to protect the Strait of Hormuz and stressed that there had been no allied consultations on the matter.

In London, officials said it would be "crazy" even to contemplate the creation of such a force at this stage and that there had as yet been no Nato consultations on the conflict. The hope in Whitehall is that major hostilities can be brought to an end in the next few days.

In Moscow, the Soviet Union signalled that it would regard the creation of any international task force to protect navigation in the Strait as "impermissible intervention" in the war. It warned that the continuation of the fighting could have "dangerous consequences."

The expectation was that Moscow would maintain its broadly neutral line but would continue to avoid any appearance of co-operation with Washington.

White House officials denied a Japanese report that the U.S. had formally proposed an international conference. President Carter was merely soliciting allied views on how to secure the safety of the Strait if it were threatened by fighting. Any measures under discussion were hypothetical and tanker traffic through the Straits was in *any case getting* back to normal.

It seemed fairly well established, however, that President Carter had sent messages to the leaders of the UK, France, West Germany, Italy and Japan proposing six-nation consultations.

In Bonn, Government officials welcomed what was described as an "expert-level conference" that would seek diplomatic rather than military means of assuring oil supplies.

EEC unity urged on Japanese cars

A UNITED European approach was urged yesterday to tackle the *problem of* Japanese car exports.

The call came from Common Market Commissioner Mr. Christopher Tugendhat, who said: "Representatives of different national industries have been talking to the Japanese for some while. British industry has been dealing with the Japanese on a one-to-one basis for some time.

"There is room for doubt whether the results have been successful." A more united European approach, to try to ensure a more orderly form of Japanese *marketing* and the opening up of the Japanese market, might prove a great deal better, he added.

Mr. Tugendhat, one of the two British members of the Commission, was introducing a Commission paper illustrating the growth of Britain's trade with the other eight Market countries.

In 1979 the Common Market accounted for 42 per cent of all British exports and 45 per cent of all British imports.

Wrestling with recession

IS BRITISH industry being *squeezed to death* by the Government's policies? Will its manufacturing base be so eroded that it declines further in the face of a tide of imports when the economy improves? Or will industry emerge leaner, more efficient, and better able to compete in world markets, helped by a substantially lower rate of inflation at home?

Those questions are being asked with increasing urgency by many leading industrialists and members of the Government. On Monday the Financial Times starts a series of articles which explore how individual companies are responding to the recession and how they view the future.

BTR to raise £60m in rights issue

BY IAN RODGER

BTR, the plastics, rubber, valves and engineering group, is raising £60m by a rights issue on the basis of one new share at 300p for every seven shares held by shareholders on the record on September 17.

The shares closed yesterday at 362p *cum* dividend, down 8p following the announcement.

This is the fourth rights issue in just over five years for the large, fast-growing manufacturer. The directors say that the funds are needed to maintain the momentum of growth in the future, through both acquisitions and investment in existing businesses.

The group has made acquisitions recently in South-East Asia, Australia, South Africa, and West Europe. It completed the purchase this week of Huyck Corporation, a U.S. manufacturer of felts and fabrics for paper-making, for approximately £65m.

BTR reported two weeks ago that pre-tax profit in the first half of 1980 gained 27 per cent to £34.8m on a 14 per cent rise in sales to £250.5m. Profit before tax in 1979 as a whole was ahead 34 per cent to £57.2m, on a 12 per cent increase in turnover to £432.6m.

The new shares will not rank for the interim dividend but will be entitled to the final and subsequent dividends.

Dealings in the new shares are expected to begin on September 30. The last day for acceptances is October 20. The issue has been underwritten by Hill Samuel and Co., with Cazenove and Co. acting as brokers.

Lex, Back Page

£ in New York

—	Sept. 26	previous
Spot	$2.4030-4037	$2.4010-20
1 month	0.93-0.88 dis.	1.13-1.08 dis
3 months	1.83-1.78 dis.	2.10-2.05 dis
12 months	2.90-2.75 dis.	3.15-3.00 dis

U.S. prime up after Fed action

By Ian Hargreaves in New York

THE U.S. prime lending rate rose from 12.5 to 13 per cent yesterday as leading banks responded to sharply higher interest rates in the credit markets and to the Federal Reserve's Thursday night announcement of a 1 per cent rise in its discount rate to 11 per cent.

Chase Manhattan Bank led the increase in primes. It was quickly followed by Citibank and most other large banks.

Businessmen were meanwhile still trying to assess the implications of the Fed's discount rate move — a move which underscores the central bank's determination to curb recent excessive monetary growth in spite of the risk that, in so doing, it could disturb the progress of the U.S. economic recovery.

Executives from the highly interest rates sensitive motor

Continued on Back Page

CONTENTS

Iraq/Iran war: views from both sides 16
TUC: the cracks are beginning to show 17
Week in the markets: Grand Met's bid for Coral 5
Your savings: supermarket sells insurance 8
Motoring: the new Ford Escort 12
Gardening: British apples for epicures 12
Collecting: education courses 15
Gold prices: David Marsh looks at those who have benefited 20
Survey: Do-it-yourself 22-23

Arts	14-15	Intl. Co. News	25	London	28	**INTERIM STATEMENTS**	
Books Page	21	Leader	16	Wall Street	24	Law Land Co.	19
Bridge	12	Letters	16	Bourses	24	Hall Eng.	19
Chess	12	Lex	32	Travel	11	F. Miller	21
Collecting	15	London Trd. Optns.	25	TV and Radio	14	**ANNUAL STATEMENTS**	
Commodities	25	Man of the Week	32	UK News:		Hartebeestf'tein	20
Company News	18-19	Mining	5	General	3-4	Murray Johnson	19
Crossword Puzzle	14	Money & Exchngs.	27	Labour	4	**OFFERS FOR SALE**	
Economic Diary	17	Motoring	12	Unit Trusts	29	Save and Prosper	7
Entertain. Guide	14	Overseas News	2	Weather	32	Canada Life	6
Finance and Family	6	Property	10	Your Savings/Inv.	7-8	M and G	8
FT Actuaries	28	Racing	12	Week in the Mkts.	5	Gartmore	8
Gardening	12	Share Information	30-31	Base Lending Rates	26	Brown Shipley	8
Golf	12	SE Week's Deals	26-27	Building Soc. Rates	27	Henderson	19
How to Spend It	13	Stock Markets:		Local Authy. Bonds	27		

For latest Share Index 'phone 01-246 8026

THE IRAQ/IRAN CONFLICT

Saudi forces move to Eastern Province

By Our Jeddah Correspondent

SAUDI ARABIA, its forces now on alert, has been moving extra army and air force units into the oil producing Eastern province on the Gulf.

The Kingdom's fleet of nearly 50 C130 Hercules transport aircraft has been in action flying men and equipment. Among the six additional army and air force units which have gone to the Dammam area are anti-aircraft missile forces with their equipment.

Security at the huge Ras Tanurah oil terminal near Dammam has been stepped up. Officials at the Defence Ministry emphasise, however, that the military alert is purely precautionary and that there is no question of active Saudi participation in any fighting, except in a defensive role.

Eastern Province is the scene of all Saudi Arabia's oil production, and is therefore of major strategic importance. But it is also the home of the Kingdom's minority of Shia Moslems who, incited both by Iranian propaganda and by lingering discontent at their own under-privileged position in Saudi life, rioted last November and again in February this year.

The Kingdom has given its first public indication of support for Iraq in a guarded statement from the official news agency. It said that King Khaled had telephoned President Saddam Hussein of Iraq expressing his "concern and brotherly feelings." He also "affirmed the depth of relations between the two countries."

The statement does not go as far as the Iraqi version of the telephone conversation which quoted the King as calling Iran "enemies of the Arab nation" but it indicates that Saudi Arabia is on Iraq's side.

Reginald Dale and Roger Matthews report on a stronger response from Iran to the Iraqi advance

Abadan oil refinery on fire yesterday.

Iraqi forces pound oil towns

ENCIRCLING IRAQI forces yesterday pounded Abadan and Khorramshahr in an attempt to force the two key Iranian oil towns into submission.

But the Iraqi troops appeared reluctant to fight their way physically into the built-up areas, where the outnumbered building barricades and preparing to put up stiff resistance.

On the three other major land fronts the Iraqui appeared to be in sight of their immediate campaign objectives. In the north, the Iraquis were reported to be within a few miles of Kermanshah but encountering Iranian resistance west of the city.

In the north central sector around Mehran, fighting was reported to have died down, with the Iraqis satisfied with relatively limited territorial gains. But in the south central sector, Iraqi forces were pushing close to the key oil-pumping station at Dezful, astride the main pipeline linking the Abadan region with Tehran.

Western reports said that if the Iraqis captured Dezful, also an important air base and source of hydroelectricity, they would be able to shut down a major part of the country's oil pipeline system and tighten the noose on Khorramshahr and Abadan. Jet fuel supplies for the Iranian air force could be seriously affected.

The Iraqis had committed over three divisions (possibly around 40,000 men) to the land battle, against under two Iranian divisions (perhaps 25,000 men), it was estimated. In the Khorramshahr/Abadan sector, where the Iraqis had made their biggest push, the Iranians were probably outnumbered by about two or three to one in numbers—a superiority that the Iraqis would need if they sought to force their way into built-up areas.

The Iranians were reported to be putting up a stiffer resistance than expected in many sectors, and in the air managed to increase the number of sorties flown on Thursday by about 10 per cent over the number flown the previous day.

The Western view is that the Iranian command and control system has stood up surprisingly well to the heavy purging of officers following the fall of the Shah. Western observers also said there had as yet been no sign that the Iraqi forces had been heavily resupplied with ammunition and equipment by the Soviet Union.

Iraqi naval vessels appeared to be in full control of the disputed Shatt al-Arab waterway separating the two countries, with Iraqi troops installed on the west bank.

As Iraq claimed its forces were pushing steadily closer to Ahvaz, capital of Iran's Khuzestan province, huge palls of smoke were reported over Abadan and Khorramshahr and Iran said Ahvaz had also been bombed. The Iranians said 90 per cent of casualties in Abadan and Khorramshahr were civilians and claimed to have captured 50 Iraqi tanks.

Iraqi armour had not yet arrived at Abadan, but the town appeared to be cut off.

Tehran said that its aircraft continued to hit Iraqi oil and refinery installations and had attacked Kirkuk and Mosul, north of Baghdad. The Iranian fighters were almost certainly aiming at the pipelines and pumping stations which carry Iraqi crude oil across Turkey and Syria to the Mediterranean.

Syrian officials said they had been contacted from Baghdad about the reopening of the pipeline that terminates at Tripoli in northern Lebanon, while Turkish officials reported that the pipeline to Iskenderun was operating but subject to interruptions.

Baghdad claimed that 11 Iranian aircraft had been brought down in the attacks on Mosul and Kirkuk but did not mention other reports that serious damage had been done to a refinery in the area.

Mr. Saddoun Hammadi, Iraq's Foreign Minister, said on Baghdad radio that his Government "would welcome any discussion of the problems that created the current situation, whether at international or regional organisations."

Mr. Tariq Aziz, the Deputy Prime Minister, said in Jordan that Iraq "appreciated international concern resulting from the war and "respects any initiative from any responsible or friendly State to end the dispute."

Asked about the Soviet Union and the U.S., he said: "The Soviets are friends, but we consider the U.S. hostile to us because they support Israel."

Two British ships slip out of Iran port

TWO BRITISH ships, the America Star and the Norse Viking have slipped out of the Iranian port of Bandar Khomeini, our Shipping Correspondent reports. A third vessel, the Trojan Star, is still believed to be in the port. Meanwhile, two other UK flag ships remain trapped in the Shatt-al-Arab. The Altanin is moored four miles off Khorramshahr and the Gulf Heron is waiting to unload in Basra. A number of UK vessels are now waiting at Kuwait just outside the war zone.

'Overthrow Khomeini' call by General

A senior general in the deposed Shah's army yesterday appealed to Iranian troops to help him overthrow the Islamic republic set up by Ayatollah Khomeini, Reuter reports from Paris. General Bahram Aryana said in a message to officers, non-commissioned officers and soldiers of the Iranian army: "Prepare yourselves . . . you will receive instructions from me shortly from inside Iran."

Death denial

Tehran Radio yesterday denied a report by Baghdad Radio that Ayatollah Khomeini was dead, Reuter reports. The Ayatollah's office said he was alive and well, and might make a speech on TV later.

Cuba-Iraq talks

Cuba's Foreign Minister, Mr. Isidoro Malmierca, yesterday had talks in Baghdad with Mr. Saadoun Hammadi, the Iraqi Foreign Minister, on the Iraq-Iran conflict, Reuter reports from Beirut. The Gulf News Agency said Mr. Malmierca handed the Iraqi president, Mr. Saddam Hussain, a message about the war from Cuba's President Fidel Castro in his capacity as chairman of the non-aligned movement but gave no details about its contents.

Consulate closes

The Japanese Consulate-General in the Iranian port of Khorramshahr had been closed because of heavy fighting in the south of the town, according to Foreign Ministry officials, Reuter reports from Tokyo.

Iranians mount surprisingly strong resistance

AFTER A WEEK of fighting, Iraq had much the better in its undeclared war with Iran. However, the disorganised Iranian armed forces mounted considerable resistance, sometimes surprisingly, and it remained unclear whether Iraq was seeking to consolidate its limited territorial gains or was getting bogged down in its advance.

On paper, the Iranian forces are far stronger than those of Iraq. Yet the desertion of many officers after the downfall of the Shah, the recent purges of the armed forces and the organisational changes introduced by the revolutionary regime have taken their toll.

All military assessments must be treated as extremely rough, however, as available information comes mostly from Iranian and Iraqi national radios, with only scattered independent confirmation.

Much of the Iranian equipment is sophisticated and requires constant maintenance provided by American technicians during the time of the Shah. The flow of the spare parts and technical "know-how" from the U.S., Britain and other Western countries has ceased since the taking captive of the American hostages.

Some minor repairs can be carried out by Iranian crews and some spare parts can be obtained by cannibalising equipment which is out of service. However, there are sharp limits to what inexperienced ground crews can do, especially in the case of aircraft.

Still, the Iranians have surprised some observers with their ability to keep aircraft flying and with their retaliatory strikes over Iraqi territory. Limited though those strikes may be.

By contrast, their ground forces at present seem unable to hold their own. No formal chain of command seems to exist, and thus the Iranians have been unable to coordinate a concentrated counter-attack nor sustain a creditable defence.

Communications appear poor, meaning that units requiring support can neither call for it nor direct it if it arrives. Intelligence seems non-existent.

The use of spotter planes over Tehran international airport confirms that the radar network at least in that area, is also out of action. The fact that U.S.-made M-109 howitzers were moved on tank transporters indicates that these were wrongly deployed in the first

IAN LEE, AVI PLASCOV and GREGORY F. TREVERTON at the International Institute for Strategic Studies, assess the military balance of the war

The evidence suggests that Iranian forces are probably commanded on a local basis and are therefore being committed piecemeal, rather than falling back to an organised defence line.

Though under heavy siege, Khorramshahr received no air cover, suggesting that the Iranian air force is running short of aircraft and pilots or that runways have been put out of action.

instance and needed to be redeployed quickly, or that the Iranians were worried that poor maintenance had reduced the track life of the vehicles.

In fact, problems of logistics are crippling the once-impressive Iranian military machine, which is finding it difficult to move its tanks from the northern and eastern borders with the Soviet Union and Afghanistan to the distant Western border with Iraq.

The Iranian navy is the only service which appears to be able to acquit itself well, having managed to retain its command structure and keep its vessels reasonably seaworthy. The question remains however over how much of its American and European armament is still capable of functioning.

On paper, the navy should be able to harass the Iraqi forces surrounding Abadan and Khorramshahr or to seal off access to the Shatt-al-Arab estuary. There would be great danger in such operations, however, since Iranian naval units could be caught far away from port and without air cover against the Iraqi air force.

Notwithstanding its successes this week, the Iraqi military has worries on several scores. Its air force, though superior in numbers and level in readiness to Iran, has seemed unable to intercept the few sorties flown by Iranian aircraft and prevent them from penetrating Iraqi air space, even over the capital of Baghdad.

Not only do these attacks raise grave doubts about Iraq's air defence, they also hurt the morale of both the nation as a whole and of the Iraqi troops Shias, which may suggest that some of them will not remain on the front line. Many of the Iraqi troops are themselves wholeheartedly committed if the war drags on.

It remains unclear what Iraqi objectives are, to be inferred from the apparent pattern of military operations. It may be that Iraqi forces are consolidating their position in the expectation of some ceasefire negotiations. Or it may be that the Iraqis themselves have been surprised by the extent of Iranian opposition, however disorganised.

Either way, there are hopes that the conflict can be contained and mediation efforts begun.

Almost plain sailing for ships passing through the Strait of Hormuz

BY SIMON HENDERSON AT THE STRAIT OF HORMUZ

"YOU CAN'T physically block the Strait of Hormuz. It is impossible," the British shipping company official said yesterday, as he showed with his finger the routes through the Strait on a large-scale navigational chart. "But what Iran can do is threaten to fire on any tanker passing through, and all the owners will hold back their ships because the insurance rates will skyrocket.

"However, that would not last for long because the U.S. navy would come in and blast the Iranian ships and bases—and the Iranians, because so many were trained in the U.S. realise that this would happen," he said.

From a man with the experience and confidence of nine years' work in the Gulf, it was a compelling message.

A dozen very large tankers enter the Strait of Hormuz on their way to the Gulf each day. About the same number of general cargo ships pass through. About 16m b/d of crude oil—just under half the world's internationally-traded crude—passes through the Strait, almost all of it bound for the western countries and Japan.

Looking out to sea from the windows of the company's offices 10 miles north of Ras-al-Khaimah, in the United Arab Emirates, there was confirmation of the official's view that whatever might happen further up the Gulf, the world's tanker bosses were not expecting much to happen in the Strait of Hormuz.

Four empty British Petroleum super tankers lay a few miles offshore where they had fled from Iranian waters when fighting erupted last week. The idle chatter between the British engineers on board, overheard on the radio, suggested that all they were concerned with was how long they were going to have to wait before returning up the Gulf to be loaded.

What is different, though, is that Iran has declared the northern part of the Gulf a war zone and warned shipping to keep out. Now, instead of cutting across the northern waters of the Gulf, tankers heading for Kuwait and Saudi Arabia have to go closer to the UAE coast. It takes longer and the water there is not so deep—allowing less of a margin if an unexpected change of course is required.

The shipping lanes in the Strait itself lie in Omani territorial waters. There is one lane three miles wide for inward traffic and a similar lane for outgoing vessels another three miles to the south. At its narrowest the Strait is still more than 20 miles wide and the water between 250 and 500 feet deep.

The land around the Strait is lonely and barren. Rocky mountains rise steeply all along the coast of Oman's Masandam peninsula on the south side. There are swampy lagoons and occasional villages but otherwise it is unpopulated. Always there is an impressive sight. Yesterday it was well over 100 degrees—and even so one local described it as relatively cool.

The seven emirates which make up the UAE-Abu Dhabi, Dubai, Sharjah Ras-al-Khaimah, Ajman, Umm al Qaiwain and Fujairah—appear to be taking the crisis calmly, even though two have a particular interest in it.

The Islands known as the Greater and Lesser Tumbs formerly belonged to Ras-al-Khaimah until they were seized by Iran in 1971. The sovereignty of Abu Musa was officially "left open" between Iran and Sharjah, and the latter still administers half of it. It is these islands which Iraq says it wants to return to Arab sovereignty.

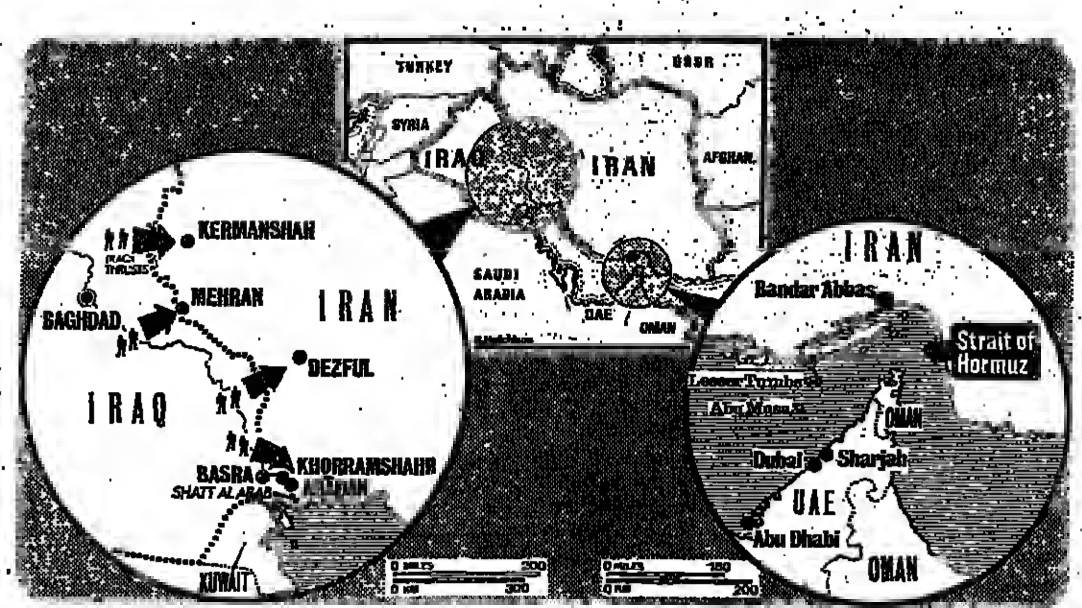
Diplomats feel that the UAE will not risk entering any conflict itself. Its military strength is comparatively weak—the navy consists of only 15 vessels and 900 men.

Meanwhile, shipping through the Strait continues, admittedly less now because vessels originally bound for Iraqi and Iranian ports are holding back, but otherwise normally. The volume of traffic had dropped anyway over the past few months because of the world oil supply glut, and also because the size of tankers has grown. Three 500,000-ton tankers could take the whole daily production of Saudi Arabia, the world's largest oil producer.

On military strengths, an expatriate helicopter pilot on a tanker supply service said after the trip into the Gulf of Oman that there were no warships in sight. The only one normally around was the Omani fast patrol boat stationed in the Strait at the former Royal Navy anchorage of Goat Island on the west of the Masandam Peninsula.

U.S. and Soviet ships are believed to be well down the Gulf of Oman, keeping out of sight of land but within a few hours' steaming of the area. What is happening on the Iranian side of the Gulf is not clear, but the hulk of its navy was probably in its major Bandar Abbas area when the fighting began.

Even the Iranian questioning of ships to find out where they are heading is comparatively low key. A radio station asks a random selection and apparently has not yet heard any answer it did not like. Of Iraqi ships there is no sign.



THE MAIN hulk of the Iraqi advance in the Central and Northern sectors is said by Western analysts to have been in areas including disputed frontier territory ceded to Iraq under the Algiers agreement of 1975 but never actually handed over by Iran. These small strips of territory total about 500 square kilometres—although Iraqi forces now occupy considerably more than that. The border issue is greatly complicated by the existence of three separate official maps allegedly recording the 1975 agreement—one in Tehran, one in Baghdad, and the third deposited with the United Nations in New York. The difficulty is that each one apparently shows a different border.

OTHER OVERSEAS NEWS

Yugoslavs warm to Iron Lady approach

BY RICHARD EVANS, LOBBY EDITOR, IN BELGRADE

MRS. MARGARET THATCHER, the Prime Minister, has achieved the primary task she set herself during her visit to Yugoslavia by developing a good working relationship with the corporate leadership that succeeded President Tito.

But she was unable to offer the Yugoslavs in two days of talks the Government credits and financial backing they requested to improve their competitiveness and end the chronic trade imbalance they have with the UK and the rest of the European Community.

The Prime Minister made it clear that while the British Government had every sympathy with the economic difficulties facing Yugoslavia, the considerable financial aid they sought would have to be acquired on the open market, in London and elsewhere.

A joint communique at the end of her talks with Prime Minister Djuranovic and other Yugoslav leaders referred to agreement on the scope for development in trade and economic co-operation between Yugoslav and British firms and financial institutions.

"They reaffirmed their commitment to expand economic relations, and trade, and recognised that the growth of Yugoslavia's exports would be particularly important in increasing bilateral trade. They agreed that greater efforts should be made to promote other forms of economic co-operation including joint ventures."

To practice little concrete appears to have been achieved on trade and it will be up to the Yugoslavs to promote and market their goods more effectively in Britain.

On the political side the visit seems to have been more successful, with Mrs. Thatcher leading the way among Western leaders in giving full backing to the Yugoslavs' determination to continue President Tito's policy of non-alignment.

The British party was also delighted at the way the Yugoslavs as a leading non-aligned nation were persuaded for the first time publicly to condemn the Russian invasion of Afghanistan.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second Class postage paid at New York, N.Y., and at additional mailing centres.

Turkey sacks 1,700 mayors

By Metin Munir in Ankara

TURKEY'S military rulers yesterday dismissed all the country's 1,700 elected mayors and disbanded the municipal councils.

They also increased the punishment for possession of unlicensed firearms or explosives. Any person possessing, buying, selling or conspiring to smuggle arms into Turkey will be sentenced to 30 years imprisonment.

The two decrees issued by General Kenan Evren's ruling council are intended to reinforce the army in its fight against political terror.

The mayors are believed to have been dismissed to remove politics from the municipalities which were highly partisan in their composition and behaviour. Some had suspected left-wing and right-wing terrorists on their payrolls.

Zimbabwe ban

SALISBURY—The Zimbabwe Government yesterday published new regulations to bar the country's dismissed white military commander, Lieut.-General Peter Walls, from returning to the country. A notice added a new provision to the country's law and order regulations to cover the exclusion of undesirable

Rapid progress unlikely at missile talks

BY DAVID BUCHAN IN WASHINGTON

RAPID PROGRESS is not expected by the U.S. in forthcoming negotiations with the Soviet Union on limiting medium-range nuclear missiles based in Europe. This was made clear by U.S. officials yesterday after the announcement that a first round of talks has been set for October 13 in Geneva.

The date was agreed by Mr. Edmund Muskie, the U.S. Secretary of State, when he met Mr. Andrei Gromyko, the Soviet Foreign Minister, in New York on Wednesday.

The U.S. acceded to the Soviet request for early talks because, even though it is in the midst of a presidential election campaign, it did not want to give apparent justification to Soviet accusations that the U.S. and its allies in the North Atlantic Treaty Organisation were dragging their feet on the missile issue.

The NATO alliance made the original offer of talks about mutual reductions in Europe-based missiles last December. At the same time it decided to go ahead and deploy a new generation of Pershing and Cruise missiles. This was done partly to persuade some of the smaller countries in the Western alliance that the new deployment might not be permanent.

The object of the talks starting next month, which will be conducted for the Western side by the U.S. after consultation with its NATO allies, is to exchange a reduction in Pershing and Cruise missiles for matching cuts in the number of medium range SS-20 missiles that the Soviet Union has targeted on Europe.

Russian willingness to negotiate some kind of mutual reduction comes after a strong propaganda campaign from Moscow warning Western European countries that they risk turning themselves into prime nuclear targets by allowing the U.S. to base the new Pershings and Cruises on their soil.

David Satter writes from Moscow: The beginning of talks with the U.S. on limiting medium-range missiles in Europe will be welcomed by the Soviet Union which is anxious to restore the detente atmosphere which prevailed before its invasion of Afghanistan.

The Soviet Union has always been interested in arms control and an earlier refusal to discuss reductions in medium-range missiles while the NATO decision to deploy Cruise and Pershing missiles in Western Europe was in force was regarded as a negotiating ploy.

When Herr Helmut Schmidt, the West German Chancellor, visited Moscow in June, thereby breaking the Soviet Union's post-Afghanistan diplomatic isolation, the Soviet authorities announced that they were willing to abandon their refusal to negotiate about medium-range missile reductions.

U.S. ready to revive steel trigger prices

BY OUR WASHINGTON STAFF

THE U.S. is to reimpose trigger prices on imported steel in the first quarter of 1981 at a level 12 per cent above that in the first three months of this year, when the import protection system was scrapped temporarily.

This is reliably reported to be a main element in a steel deal which the Carter Administration and the European Commission are about to complete and which is expected to be announced next week.

In return for the reintroduction of trigger prices, the U.S. Steel Corporation is ready to drop its big anti-dumping suit, filed last March against steel produced from seven EEC countries. The EEC feared that possible dumping duties arising from the suit could cause more damage to their steel exports than a return of trigger prices, which are supposed to act as a quick alert for the U.S. Government to investigate dumping allegations.

In fact, the U.S. Government instigated very few dumping inquiries under the old trigger price system. But the domestic steel industry, including the U.S. Steel Company, has also requested other aid from the Government, such as relaxation of some pollution control rules and federal loan guarantees.

Sasol aid for Washington's energy plans

By Quentin Peel in Johannesburg

TECHNOLOGY from Sasol, the pioneering South African oil-from-coal producer, is being used by the U.S. in efforts to produce synthetic fuel and gas, in spite of the political controversy likely to result from such a move.

The semi-state concern which disclosed this development yesterday has been producing oil from coal in South Africa since 1955. It acts as consultant and co-licensor with Lurgi of West Germany to a U.S. consortium headed by American Natural Resources. The consortium has announced its intention to build a substitute natural gas plant in North Dakota.

In addition, Sasol is involved either as a consultant or potential licensor in $60m (£25m) of design projects for synthetic fuel production commissioned by the U.S. Department of Energy as part of the U.S. Government's synthetic fuel programme. Mr. D. P. de Villiers, chairman of Sasol, said in his annual report that $100m of projects had been commissioned.

Sasol technology, Mr. de Villiers said, is "the only proven commercial route to coal gasification and liquefaction."

OVERSEAS NEWS

Fed asserts its independent line

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

THERE WAS a political, as well as an economic, point made when the Federal Reserve Board announced on Thursday that it was raising its discount rate by a full percentage point to 11 per cent. It was that Mr. Paul Volcker, the Fed's chairman, and the twelve governors of the regional banks in the system, are not lieutenants to Mr. Robert Strauss and the other architects of President Jimmy Carter's re-election campaign.

Not that anybody had ever gone so far as to suggest to Mr. Volcker's face that this was the case. After all, for the last year, since the chairman flew home from the International Monetary Fund meeting in Belgrade to announce a package to take the heat out of the U.S. economy, the Fed has often seemed to be the Administration, at least as far as economic policy is concerned.

Its tight money policies at the turn of this year constituted an obvious threat to Mr. Carter's renomination by the Democratic Party, with its traditional distaste for high interest rates.

But that challenge to the President now pales in comparison with what he is up against in the shape of Mr. Ronald Reagan: and in recent weeks, as evidence accumulated of a new explosion in the money supply with the apparent bottoming out of the deep, but short-lived recession, there was at least a suspicion that the Fed was in a tricky political pickle.

It was apparently unwilling, on the one hand, to be seen to be undermining the President's electoral chances, but equally unwilling on the other to stand by while inflation got up a new head of steam.

It gave its answer, unequivocally, on Thursday evening: that its concern is inflation, not elections: that while candidates may promise the nation tax cuts — Mr. John Anderson, the independent, excepted — its tools are different and less palatable.

Moreover, as Mr. G. William Miller, that most political of Treasury Secretaries, implied in remarks in New York on Thursday, much as the Carter Administration may not relish the political consequences of what the Fed has done, it accepts that the central bank had little alternative.

The President's political strategists concede that higher interest rates may give Mr. Carter's opponents another round of ammunition to fire, but at least those rates are still below the levels of earlier in the year and may make the president's problems only marginally worse.

From an economic standpoint, the logic of the Fed's action is clear, though its consequences are less easily predictable. Since mid-year, the basic money supply had been rising at an annual rate of about 12½ per cent, double the Fed's own targets. In recent weeks, the Fed has been taking a number of discreet steps to limit the reserves flowing into the banking system. Raising the discount rate publicly reaffirms its intent to continue the pressure until monetary growth is brought under control

The great question, of course, is whether its action will have the effect of nipping in the bud the modest recovery that now seems to have been under way for nearly two months. Gross National Product in the second

Mr. Paul Volcker: no more election aide.

quarter of this year fell by 9.6 per cent, at an annual rate, while in the third quarter, according to preliminary government estimates, it remained level.

The brunt of the recession was borne by heavy industry, especially cars and steel, and by housing. Both cars and construction have shown signs in the most recent weeks of coming out of their slumps—but both are intensely vulnerable to the interest rate factor.

The nation's car dealers, in particular, were in dire straits, unable to bear the costs of financing their stocks when the prime rate hit 20 per cent earlier this year ,as was the housing industry, confronted with mortgage rates nudging 16-17 per cent: both benefited from the summer decline in rates: both are afraid that the upward trend now, which the Fed has confirmed, will abort their recoveries.

Several broad measurements of economic activity have taken a turn for the better in the past two months—industrial production has risen, unemployment has gone down, retail sales moved up, as have consumer credit and factory orders.

The Carter Administration had even taken political heart from the fact that most recent surveys of consumer confidence have shown the nation more optimistic about its economic prospects than for some time.

But the latest economic and monetary figures have begun to suggest a resurgence in inflation:

In the last few years, the U.S. economy has shown remarkable resilience. It took a very severe squeeze to expunge the life out of the last expansion, and then produced a recession of no more than half a years duration, one of the shortest on record.

What the Fed has done is to demonstrate its independence by again flying its anti-inflationary colours at its masthead. It is very hard to say whether, as a result the economic ship will change course.

Bermuda talks focus on oil-price problems

BY PETER RIDDELL IN HAMILTON, BERMUDA

THE annual Commonwealth Finance Ministers' meeting may make no decisions but its discussions often provide a revealing indication of mood and attitude ahead of the International Monetary Fund and World Bank meetings.

This year it is clear that the balance of payments and financial problems of the low income countries will dominate debate in Washington next week, but the two-day Commonwealth meeting in Bermuda, which ended late on Thursday, showed that the discussions are unlikely to be along stereotyped north v. south lines.

There has been a recognition here that the distinctions are more subtle and that the industrialised and low-income countries have a common interest in coping with the payments imbalances and slower economic growth caused by the second round of oil price increases.

Whereas once the energy issue was papered over at Commonwealth meetings, it is now discussed openly. Indeed, the Indian representative pointed out at one session that the impact of the rise in oil prices was equivalent to two and a-half times the value of concessional aid received by his country.

This view leads to an acceptance that the major immediate problem is how to mobilise the financial resources and surpluses of the oil-producing states. The other side has been a general recognition that each country faces its own serious problems, and that this imposes limitations.

One Zimbabwean delegate, for example, noted that Sir Geoffrey Howe, Britain's Chancellor, had referred to the problem of UK unemployment, and that this would obviously limit what the UK could do to help other countries. A positive result of this mutual understanding has been the recognition of the desirability of continuing open trade and avoiding protectionism.

There were, of course, still big differences at this meeting. The final communique embraced widely-contrasting views about the role of the IMF and the World Bank, and particularly about overseas aid.

The familiar calls in the communique about the urgent need for more aid flows read somewhat strangely at a time when the UK has been cutting back its aid programme. Indeed, the sharpest criticism at the meeting concerned the UK's decision to reduce its contribution to the Commonwealth fund for technical co-operation.

Yet regular attenders at Commonwealth meetings feel that this conference was more successful than previous recent ones, in Montreal and Malta. "More realism and less rhetoric" was the common description.

UK NEWS

Shell warns on oil output curbs

BY RAY DAFTER, ENERGY EDITOR

SHELL UK, one of the leading North Sea oil producers, has warned the Government against implementing a restrictive depletion policy.

The company says in a discussion paper that by holding back the rate of production, the UK could set an "unfortunate" example to other producing countries and might well cause additional price vulnerability.

"The mid-1980s may well be a period of severe strain on world oil resources and therefore a period when there will be the greatest pressure on OPEC not to restrain production unduly," the report says.

The international implications of restraining UK production at that time in relation to the country's partners in the Organisaion of Economic Co-operation and Development, and producers in the Organisation of Petroleum Exporting Countries must be considered.

Mr. David Howell, Energy Secretary, has said he will adopt a flexible approach to depletion, although he has indicated he wants to flatten the hump of potential surplus production capacity in the 1980s.

With this in mind, he has announced that he is considering delaying the development of British National Oil Corporation's Clyde Field — in which Shell has an interest — and Phillips Petroleum's Tiffany/Thelma/Toni complex of reservoirs.

Mr. John Raisman, Shell's chairman and chief executive, announced on Thursday that his company forecast that the offshore oil and gas industry would spend £60bn over the next 15 years on developing fields on the UK Continental Shelf.

In the discussion document the company states that whether or not production is restrained in the 1980s, self-sufficiency for the 1990s will be attainable on the predicted potential reserve base only providing there is a substantial increase in exploration and production activity.

"It was in the country's interest to build up and sustain a major self-supporting British oil industry. "Any policy of production restraint must not hinder this."

Shell reckoned that between 1983 and 1985 North Sea operators could be producing between 400,000 and 600,000 barrels a day more than the UK oil consumption level. A reduction of 500,000 b/d, at current oil prices, would reduce Government income by about £2.5bn annually.

The company emphasised the uncertainties of future North Sea oil production rates and pointed out that deferment of development projects—one of the depletion tools available to the Government—would involve a long interval between decision and effect. (It can take several years to develop a field.)

As a result, Shell suggested that other depletion measures, such as leaving the Government's royalty oil in the ground, would provide more flexibility, if it was felt necessary to restrain production levels.

More funds for energy research

THE GOVERNMENT has awarded contracts worth a total of over £650,000 for wave energy research, and has increased the annual budget for the wave power programme, Mr. John Moore, Minister with responsibility for renewable energy, said yesterday.

He said this year's allocation to wave energy would be £3.5m-£4m compared with £3m last year.

Under four new contracts, Edinburgh University gets £232,000 for work on spines and tank operation, Vickers gets £125,101 for work on oscillitating water columns, Sea Energy Associates/Lancaster Polytechnic receive £186,550 for work on spines and mooring systems, and Sir Robert McAlpin is awarded £109,000 for work on the Bristol cylinder device.

Mr. More added: "We are under no illusions that the problems involved will be solved overnight. There are many technical problems to be overcome before commercial exploitation of wave energy becomes a reality."

● Diesel powered buses are likely to remain in use in London for the rest of the century, London Transport said yesterday. LT had started to investigate natural gas and other alternative fuels for later years.

Aer Lingus to reduce winter air fares

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AER LINGUS, the Irish airline, in conjunction with British Airways, is to cut substantially the cost of flying between the UK and Ireland during the coming winter.

"Super-saver" fares to be introduced from November 1 will cut the normal Apex fare between London and Dublin from £66 to £55 return. The rate from London (Heathrow) to Cork will be cut from £75.50 to £65. The Heathrow-Shannon rate will be cut from £78.50 to £67 return.

These new cheap fares will require at least one Saturday night to be spent in Ireland, and will incur financial penalties if any changes in the bookings are made. They will not be available over the pre-Christmas period, from December 19 to 24.

● Over the past three years, a total of more than 1.16m passengers have flown on Laker Airways' Skytrain flights to New York, Los Angeles and Miami.

The airline plans to start Skytrain services to Hong Kong on December 15, provided it is awarded the necessary route licence from the Hong Kong Government at hearings due to start on October 20.

● British Airways expects to start passenger and cargo services between Heathrow and Vancouver, Edmonton and Calgary in Canada in late April next year.

This follows the agreement between the UK and Canada announced earlier this week on a new air service deal between the two countries.

About 300,000 people travel annually between Britain and Western Canada, and BA hopes to capture about one-third of that market.

During next summer, BA will fly one non-stop service a week to Vancouver, two to Vancouver via Edmonton, and another to Vancouver via Calgary.

● Orion Airways, the airline subsidiary of Horizon Travel, is to increase its fleet of Boeing 737 jets from four to six, and will need to take on another 100 staff in readiness for next summer.

● Caribbean Airways, the flag airline of Barbados, will introduce new cheap fares between the UK and Barbados, if inter-governmental talks opening on Monday are successful.

The Barbados Government wants to bring fares down to correspond with the cheap rates available on other Atlantic routes. From November 1, the airline plans cuts of between 15 and 44 per cent, including a new tour-basing return fare of £200 in the low season and £240 in the peak period.

The cuts in economy fares will also be substantial. The proposed peak economy fare, of £250 single, will compare with £417 at present—a cut of 40 per cent.

Fewer expected at Motor Show

By Kenneth Gooding, Motor Industry Correspondent

MRS. THATCHER will open the Motor Show in Birmingham on October 17, which this year coincides with a steep fall in UK sales of both cars and commercial vehicles.

The organisers, the Society of Motor Manufacturers and Traders, will spend about £250,000 to promote the show. The exhibition of three important new cars—the BL Metro, Ford's Escort and the Rolls-Royce Silver Shadow replacement—should help to lift attendances.

The society expects attendances this year to reach about 850,000, compared with the 1978 Motor Show record of 910,000, when there were complaints of overcrowding.

Faced with the prospect of a mass desertion by the commercial vehicle exhibitors—who in 1978 complained that their trade visitors could not get to see them—the society will restrict entry to the truck and allied industries exhibits, and the public will be allowed in only if there is room after ticket-holding trade visitors have been admitted.

The society is charging £5 on the opening day, £2 for subsequent days and £2 for car parking. This indicates that the cost of organising the show is about £1m.

Post Office workers to study jobs report

By Nick Garnett, Labour Staff

BRANCHES OF the Union of Communication Workers yesterday received copies of the policy research report which predicts up to double the job losses estimated by Post and Telecommunications management over the next 10 years as a result of new technology.

The union is seeking responses from the shopfloor to the report—which predicts the possible loss of 40,000 jobs in those areas represented by the UCW—before the union's leadership begins drawing up a comprehensive statement on their attitude towards new technology.

That statement is expected to be presented to the union's annual conference next year and will follow debate within the union over whether it is necessary to have unified overall strategy towards technological change which would include trade-offs sought by the union.

A 28-page union commentary issued with the report, which was drawn up by the Science Policy Research Unit at the University of Sussex, makes it clear that the UCW executive is disappointed in the report and does not accept some of its most important conclusions.

In particular, it does not believe some of the material on which it is based will prove accurate and that the research unit has not sufficiently taken into account job expansion opportunities arising out of new services.

The unit's report, commenting on the 21,000 job losses predicted by management among grades represented by the union, argues that a further 15,000 could be lost as a result of electronic mail services and another 1,000 through electronic funds transfer. If optical character recognition is brought into service this could result in a further 3,000 jobs lost by the end of the decade.

The report suggests union co-operation with management should be linked to agreements on maintaining manning levels, reducing hours, retraining, better leave and improved pay above normal increases.

The union commentary, produced by a sub-committee of the executive under Mr. Alan Tuffin, the union's deputy general secretary, says the union is in a strong position to prevent any *fait accompli* by management on new technology.

Nestle to drop Keiller in chocolates-only move

BY ANDREW FISHER

NESTLE, the Swiss based multinational foods group is leaving the sugar confectionery and preserves business, and restructuring its chocolate output in a move affecting nearly 600 jobs in Britain.

The decision, taken by the UK management, is a result of declining demand against a background of UK economic recession and higher Value Added Tax. It will mean the sale or closure of the Keiller of Dundee subsidiary, where 320 people are employed.

On the chocolate side, up to 250 jobs will go at the factory in Hayes, Middlesex. This is Nestle's largest plant in Britain and has a workforce of 1,500 people producing both chocolate and coffee products.

Keiller, famous for its marmalade, butterscotch, toffees, and boiled sweets, has been a part of Nestle since 1961 when it was acquired as part of Crosse and Blackwell.

Nestle's management has briefed a merchant bank on its hopes of selling Keiller, but it gave no details yesterday as to the prospects of a sale in the second half of 1981. "We would like to sell it as a going concern," the company said.

The group hopes to achieve the planned redundancies at Hayes early next year, the aim being to concentrate production on such top-selling chocolate lines as the Milky Bar and Dairy Crunch. Altogether, Nestle employs 9,000 people in Britain.

Earlier this month, Cadbury Schweppes announced a £125m modernisation plan for its chocolate and confectionery business, which would lead to the loss of 3,000 jobs by the mid-1980s.

Already this year, Cadbury has made 700 people redundant at Bournville in Birmingham, where it employs some 7,000 people in one of West Europe's biggest chocolate plants.

The hardest-hit section of the market in Britain this year has been sugar confectionery, which has seen a fall in the volume of demand by about 9 per cent. For chocolate products, there has been a drop of 7 per cent.

Talks with trade union representatives on the Hays redundancies have already begun, with the first jobs due to disappear in January 1981.

Nestle, one of the biggest food concerns in the world, with its headquarters on the shores of Lake Geneva at Vevey, has warned that profits may be less satisfactory this year due to difficult conditions in many markets.

Last year, the group's net earnings partly recovered to SwFr 816m (£205m) from SwFr 739m in 1978, the peak year being 1976 when the result was SwFr 872m.

Although total turnover was around a tenth higher in the first seven months of 1980, at around SwFr 13bn, growth mainly resulted from higher sales prices, the company said. In volume terms, world sales of dairy products, frozen foods, coffee extracts, and drinks were slightly down.

Jobs cut talks at Cummins plant

BY RAY PERMAN, SCOTTISH CORRESPONDENT

SHOP STEWARDS at Cummins Engines, the U.S.-owned diesel manufacturer, are to meet the management at the Shotts plant, near Glasgow, next week, to discuss alternatives to nearly 300 redundancies sought by the company.

The stewards said yesterday that they would oppose further redundances in the plant, but they were willing to discuss short-time working as a means of avoiding the loss of jobs.

Cummins, which supplies engines to most of the main UK commercial vehicle manufacturers, has been hit by the slump in the motor industry.

The work force was cut by 190 to 1,260 in July. But output has continued to fall. Unions say that production is now 20 engines a day, compared to 35 earlier this year and 39 in 1979.

The management has told the unions that the expansion of the Shotts plant into a £30m factory, due to come into operation in 1883, will be unaffected by the cutback. The new building is complete, and machine tools are *now being installed.*

K Shoes to close factory

BY ELAINE WILLIAMS

K SHOES, the British footwear manufacturer and retailer, is closing one of its factories with the loss of 222 jobs. Cutbacks at two other factories will bring total redundancies to 450.

Its Workington factory in Cumbria is being closed because of falling demand for men's shoes, increasing import penetration and poor performance of the plant.

The company said that shoes produced at Workington have been less competitively priced than at its other factories.

The plant was set up in the 1960s to make injection moulded shoes using oil-based plastics. But dramatic increases in oil prices made this product less attractive and the factory has turned to other methods of shoe manufacture.

K Shoes has suffered less than many other shoe manufacturers in the present recession. In the six months to March it had pre-tax profits of £2.37m, an increase of £261,000. This growth came from the retailing activities which account for two-thirds of its income. It has 220 shops in the UK.

Consumer demand has fallen sharply over the last 12 months *particularly* for traditional men's shoes. Orders for the autumn fashions, which include women's boots, is estimated to be at least 40 per cent down on the same period last year.

The shoe industry is also worried by imports of shoes which rose to £352m—46 per cent of the UK market last year.

K Shoes said it felt the Government's attitude to imports was unrealistic and uncaring to those facing redundancies in the industry. The unfavourable exchange rates encouraged imports and made exporting difficult.

At present there are about 15,000 workers in the footwear industry on short time working, out of a total workforce of 70,000.

Several manufacturers have laid off workers, such as Ward White, which has shed 400 workers. Footwear Industry Investments has closed loss-making factories, reducing 275 jobs, and Norvic has made 140 people redundant.

● Over 40 per cent of the workforce—125 employees—at Ayrshire Metal Product's Irvine factory in Scotland are to be made redundant, due to a lack of orders for its steel fabrication products.

The factory, which employs 300, has been laying off an increasing number of employees each week since the beginning of September. It has two other factories based at St. Helens and Daventry which are unaffected, so far.

'Bribery used over Ulster assembly'—Powell

By John Hunt, Parliamentary Correspondent

FLATTERY, false promises, bribery and blackmail are being used to establish a consultative assembly in Ulster with the eventual intention of separating the province from Britain, Mr. Enoch Powell (Official Ulster Unionist, South Down), claimed last night.

In a scathing speech Mr. Powell, a former Tory Cabinet Minister, delivered a savage attack on the Government's Ulster policy. But his strongest criticisms were for the Foreign Office, the higher ranks of the Northern Ireland Civil Service, and the Northern Ireland Office. It was they, he argued, who were behind the policy.

He told the Princetown branch of the Bangor Unionist Association that the aim of these people was to create in Ulster a political structure which would mark the province out as "not belonging" to the UK. It would "furnish a lever with which Ulster can be wrenched from its British base and thrown into the international melting pot to be snapped up by its enemies."

It was this objective which the Foreign Office displayed to the Irish Republic, to the U.S. Government and to the world as an earnest of Britain's "good intentions." The Foreign Office was "the inveterate enemy of Ulster as part of the UK."

More UK news, Page 20

Council house sales reach record level

SALES OF council houses are running at a record 75,000-a-year for the UK, Mr. John Stanley, Minister of State for the Environment, said last night.

The figure, for the year ended last June, is the result of the Government's policy to increase council house sales to sitting tenants. The previous best figure was 50,000 in 1972 under Mr. Heath's Government. Under the last Labour Government, the figure varied between 20,000 and 30,000, dropping to 13,000 for England and Wales in 1977.

Commons committee meetings protest

A PROTEST has been sent to Mr. Norman St. John Stevas, Leader of the Commons, about the unusual decision to hold meetings of Commons select committees during the Parliamentary recess.

Earlier this week, the *Treasury Committee* met in private and decided to call the Chancellor and the Governor of the Bank of England to give evidence about monetary targets a week before the House re-assemble. The Employment Committee also met in private this week.

Now Mr. Kenneth Lewis (C., Rutland and Stamford), has written to the Leader of the House urging him to instruct committee chairmen not to hold meetings until Parliament re-assembles.

Ford plant back to normal working

NORMAL working will be resumed in the transmission plant at Ford Motor's Halewood operations on Monday following an interim agreement between shop stewards and management yesterday—the day the company's new Escort went on sale.

The dispute began on Tuesday after the refusal of a machine operator to move to another works area. A further 23 workers walked out in sympathy and this resulted in the laying off of 1,400 workers. The company said yesterday that shop stewards at the transmission plant had agreed to process the dispute through normal disciplinary channels.

NUR may be alone on pay claim

By Nick Garnett, Labour Staff

THE NATIONAL Union of Railwaymen might have to go without the co-operation of other rail unions over its proposals for improved pay and conditions linked to higher efficiency, Mr. Sid Weighell, the general secretary, said yesterday.

On the failure of the rail unions to agree a pay and conditions claim linked to improved working practices, Mr. Weighell said that improvements in these spheres were essential to maintain the railways' labour force.

Rundown

"In the meantime, the service will suffer," he wrote in his union journal. "Public criticism will grow. The real advances made in our railways will falter and another miserable rundown will follow."

His union had tried to reach a common approach with the others to a trade-off between better pay and conditions for improved efficiency, but had failed.

If they could not move forward in collaboration with other unions, "we will have to decide whether we dare leave the issues unresolved while we wait, or take the initiative and strive to achieve what we in the NUR have proposed."

Mr. Weighell said that the financial crisis on the railways could only be overcome by a radical change in Government support.

Other European Governments have taken on the role he wish Whitehall to adopt.

But, he concluded, "the argument has still to be won in Britain."

Labour executive rejects union finance control

BY ELINOR GOODMAN

A SERIOUS rift between the Labour Party's National Executive and *its paymasters*, the unions, emerged yesterday at the pre-conference meeting of the national executive. Left- and Right-wing members united to reject the unions' demands for greater control over party finance.

The executive was forced to concede that in the circumstances there was no chance of persuading the unions to agree to raise their affiliation fees to 50p per head in 1982.

Instead, the conference, starting on Monday, will be asked to approve an increase from 32p to 40p in affiliation fees. Urgent talks will begin between the party's finance officers and the unions about ways of improving the party's serious financial position.

The first of these meetings will take place in Blackpool tonight, with the party's treasurer, Mr. Norman Atkinson, under firm instructions from the executive to make clear to the unions that if they want a Labour Government they must be prepared to give the party more money. But there is absolutely no question of this money being accepted with strings.

At yesterday's meeting of the executive, an improbable alliance developed—of the party leader, Mr. James Callaghan, and Mr. Anthony Wedgwood Benn.

They joined in condemning suggestions from Mr. David Basnett, the general secretary of the General and Municipal Workers Union and chairman of the Trade Unionists for a Labour Victory, that extra political funds available from trade unions should be put together in a special fund under the control of union finance officers.

Mr. Callaghan, who will need the support of the unions to defeat the Left on the constitutional issues facing the party at next week's conference said: "No self-respecting organisation would countenance such proposals."

The party, which in June was said to be moving into serious debt, desperately needs more money.

The party's Commission of Inquiry — composed of trade unionists as well as members of the executive—originally recommended the increase in union affiliation fees to 50p.

But since then some of the biggest unions have warned that they are not prepared to commit themselves to such an increase.

This month, Mr. Basnett wrote to the party on behalf of six unions, asking for the 50p increase to be dropped and suggesting instead that those unions who could afford it would put a 10p a head levy into a special fund which would *be administered and monitored* by the trade unions.

Mr. Wedgwood Benn was so angry about this proposal for "drip feeding the Labour Party" that he suggested the executive should go to conference and get approval for the full 50p increase.

One trade union member of the executive warned, however, that if the executive did this they would not get any additional funds from the union, and the NEC was forced to concede that the most it could recommend to conference was an increase from 32p to 40p.

The clear message from the executive is that the unions will not be allowed to impose conditions on how any extra money is spent.

Christian Tyler adds: At tonight's meeting in Blackpool, the unions are likely to be just as adamant that the further contribution from them is conditional on their securing greater influence over financial management.

They may also demand that the executive reintroduce the three-year rule on Labour Party constitutional reforms, in order to have the present controversies finally settled at this conference. So far, this second demand has not been tied explicitly to the financial question.

Callaghan 'sets conference tone'

BY OUR LOBBY STAFF

MR. JAMES CALLAGHAN, the Labour Party leader, last night set out what he would like to be the tone for this year's Labour Party conference, with a full-blooded attack on the Conservative Government.

Speaking in Manchester, he acknowledged that next week's conference would inevitably debate the constitutional issues *which have been threatening* to split the party since the election.

But he insisted the real issue was not "constitutionalism but Thatcherism."

What the Labour Party should be doing was presenting policies a Labour Government could implement when returned to power.

Despite Mr. Callaghan's hopes, the constitutional issues seem certain to dominate the conference. At the end of the lengthy meeting of the National Executive yesterday, members put off a final decision on the precise method of electing the party leader they would recommend to conference in preference to the present system.

At this stage, however, it is fairly academic which form of electoral college the NEC backs, as next week it will all hinge on the votes of the big unions.

The odds yesterday were still stacked in favour of Mr. Callaghan defeating the Left on both the proposed electoral college, and demands to give the executive the final say on drawing up the manifesto.

But the calculation could still be thrown out if delegates are asked to vote on proposals for changing the system of electing the leader, which they have not discussed with their own union conferences.

Danger seen in polarised views on industrial policy

A STERN warning on the dangers of polarisation of views on industrial policy was given yesterday by Mr. Geoffrey Chandler, director-general of the National Economic Development Office.

He told the national conference of the Institute of Purchasing and Supply that neither of the two opposing views reflected the needs and realities of the industrial scene, or the market that was being confronted.

"Neither offers what is the real alternative which is that of emulating our competitors in the intelligent combination of private and public endeavour.

"It is a sad commentary on our own failure over the years, that government support to industry, without blunting the vigour and initiative of enterprise, or the freedom of the individual, is a trick that our competitors have learnt so much better than we."

Such polarisation, he said, carried with it the danger that once again industrial policy and industry may become the victim of discontinuity with changes of government when they occur.

Changes of government would occur, but the country could not afford to have industry, with its time-horizons far longer than those of governments, continuing to be the victim of party political change.

"The distribution of resources is properly the subject of party differences," he said, "the creation of resources is vitiated when it is the victim of such differences."

North of England seeks talks on employment

BY ELAINE WILLIAMS

LOCAL AUTHORITIES in the North of England are to seek urgent talks with the Government about the rapidly growing unemployment.

Five county councils—Cleveland, Tyne and Wear, Durham, Northumberland and Cumbria—said yesterday that the Government policies were hitting their region far harder than the rest of the country.

Mr. Michael Campbell, chairman of the North of England County Council Association, stated: "There are now 165,000 people unemployed in the region and many more thousands on short-time working. The number of people leaving the North each year has almost doubled in the past five years from 7,000 up 13,500 he said.

Mr. Campbell, who is also leader of Tyne and Wear County Council, said that the area was losing skilled people and young families, which damaged the local prospects further.

The local authorities want the Government to adopt a more positive attitude towards regional planning. Unemployment in the North stands at 11.4 per cent, compared with 6.7 per cent for the country as a whole.

London cyclists to get priority

THE GREATER London Council is considering giving cyclists some priority at pedestrian crossings to enable them to reach cycleways.

Mr. Alan Greengross, leader of the GLC's planning and communications policy committee, said many people were taking up cycling in the capital, and they ran high risks. Details of the changes under consideration could not yet be revealed.

Advice bureaux receive more Government aid

GOVERNMENT AID to citizens' advice bureaux has been increased by almost 140 per cent this year, according to the annual report of the bureaux's national association.

In *1979-80* the Government gave £1.7m to the bureaux, but in 1980-81 this will rise to £4.06m.

Last November, Mrs. Sally Oppenheim, Consumer Affairs Minister, said that the National Association of Citizens Advice Bureaux would have its grant doubled in 1980-81.

However, says the report, *adjustments had been made* to the calculations because of the rate of inflation, and the new sum allocated. But the Government had said that no supplementary grants would be available. These had been given previously if they proved necessary.

The report said the money had been increased in the assumption that bureaux *workload* was *likely* to increase following the withdrawal by the Government of grants to consumer advice centres.

Two motions, says the report, recently passed at the association's annual meeting, reflect the aim of the service to "exercise a responsible influence on the development of social policies and services, *both locally and nationally.*"

These were that the association should make the Government aware of the problem of homelessness affecting people with low priority on local authority lists, and that the Government should investigate the problem of growing numbers of dentists opting to provide private treatment.

● The Office of Fair Trading yesterday published a guide for traders and advertisers to new regulations for credit advertisements due to come into force on October 6.

Dockland developments studied

BY ANDREW TAYLOR

ANOTHER major new office development scheme is being discussed for London's dockland. Commercial Union Assurance will soon seek outline planning permission to build 200,000 sq ft of offices on part of the former London Dock which closed in 1968.

If the application is approved by Tower Hamlets council the insurance group will carry out a detailed feasibility study before deciding whether to embark on the new development which could cost around £20m at current prices.

Commercial Union, if it decides to go ahead, would be expected to occupy the building itself, moving from its present headquarters at 1 Undershaft in the City.

Meanwhile, proposals by the Daily Telegraph to build a new printworks on a five acre site at London Docks have reached the stage where an application for outline planning permission is expected to be made within the next few weeks.

Work has already started on a major new printworks for News International on an adjacent 13 acre site. All three development sites are part of 30 acres of land held on a 1[illegible] year lease by London Riverside of which Town & City Properties own a third and the Port of London Authority two-thirds.

The freehold is owned by Tower Hamlets council which acquired the 103 acre former dock site from the PLA and *Town & City for £3.6m in 1976.* Under the terms of that deal the council will be able to take a share of future rental income from developments on the land leased back to London Riverside. The other 70 acres acquired by the council is mostly designated for residential use. A comprehensive housing programme is planned.

The CU scheme is among a series of new developments proposed for London's docklands during the past 18 months. Outline planning permission was granted only this week for 2m sq ft of offices on a 25 acre site between London Bridge and Tower Bridge.

A competition to establish which consortium of developers will undertake the redevelopment of 120 acres of land in the former Surrey Docks is now approaching its final stages. A result is expected to be announced by Southwark Borough Council and the Greater London Council—joint owners of the site—later this year.

THE WEEK IN THE MARKETS

Dividends deferred

LONDON

ONLOOKER

Last week GKN's dividend cut switched the equity market's attention abruptly away from the world stage and back to a minute examination of the forthcoming dividends list: this week, just as suddenly, the focus has returned to the Middle East. On the whole the reaction has been surprisingly quiet so far—golds have fluctuated with the bullion price, while oils have moved up to the peak levels of earlier this year, but there has been no panic. Clearly, though, all the markets remain extremely vulnerable to any hint that the conflict may be spreading further down the Gulf.

At home, the company news season limps along as before. A lot of distinguished corporate names are putting out decidedly ropey interim statements, but their dividends—many of them uncovered—ar esurviving more often than not. The real decision will come in six months when the directors have to decide final payments.

Gilt-edged have had an uninspiring week, and the Government Securities Index is little changed.

House calls

Three groups with big housebuilding interests reported this week—and told two rather different stories. Wimpey and Tarmac are both feeling the squeeze from the rise in mortgage rates and the fall in private sector house purchases.

But Barratt Developments is almost as breezy as ever.

Partly thanks to better weather, Wimpey completed and sold more houses in the first half of this year than it did in 1979. But there has been a distinct falling off in recent months, and for the year as a whole it thinks sales could fall from 11,500 to around 9,000 houses. The full impact of this decline will not be felt until 1981, which Wimpey thinks will be its most difficult year.

Tarmac also gained from better weather at the beginning of 1980, and it hopes to keep its sales at nearly 4,000 units this year. But although it expects to maintain its gross margins on these sales, its costs are rising fast. The group is having to spend a lot more on marketing its houses, and working capital is rising. This will help to push the group's overall borrowings up sharply this year.

Barratt Developments, by contrast, has pushed its pre-tax profits up from £18.2m to £24.8m in the year to June, and is promising to increase its dividend in the current year by a full 25 per cent. It is budgeting to build 11,000 houses in 1980-81, the same as last year.

Not surprisingly, the stock market remains somewhat bemused by Barratt's gravity defying performance. Although the shares have risen sharply this week, the prospective dividend yield remains well into double figures.

Coral reefed

There has been plenty to ponder about this week for shareholders in Coral Leisure Group, soon to enter the more profitable fold of Grand Metropolitan. As expected, the company was stripped of licences for three of its lucrative London casinos following last November's police raids. Coral is likely to appeal—it has three weeks in which to decide—and can keep the clubs open in the meantime. Since the justices did not use their ultimate sanction under the Gaming Act of disqualifying the premises for up to five years, Grand Met could attempt to have the licences transferred to its name once its £83m bid goes through.

Hanging on the result of an appeal would be the fate of Coral's fourth London casino, Crockford's, and its provincial clubs. The three London operations for which its licences were cancelled on Wednesday were the Palm Beach, in which Grand Metropolitan owns a one-third interest as well as the freehold, the International Sporting Club, and the Curzon House Club.

Unlike Coral, and Ladbrokes which is almost out of the casino business now, Grand Metropolitan's own gaming operations have not been subject to any objections from either the police or the Gaming Board. Grand Metropolitan's attitude to the Coral casinos is unclear as yet. With them, its bid would obviously look cheaper, but the group has tried hard in the past to limit its exposure to such a tricky and fluctuating industry.

The most eye-catching news to come out of Thursday's offer document on Grand Met's bid was the record £300,000 compensation to be paid to Mr. Nicholas Coral, chairman of Coral Leisure, if the bid goes through. Since both companies own a string of betting shops, the take-over could conceivably be hindered by a reference to the Monopolies Commission. Another key point is the future of Coral lack-lustre Centre Hotels division. Taj Hotels of India would like to buy two-thirds of it for around £27m. But Grand Met has had these talks stopped and offered to buy the hotels, if its bid for all of Coral fails, assuming someone else does not put up a higher offer for them.

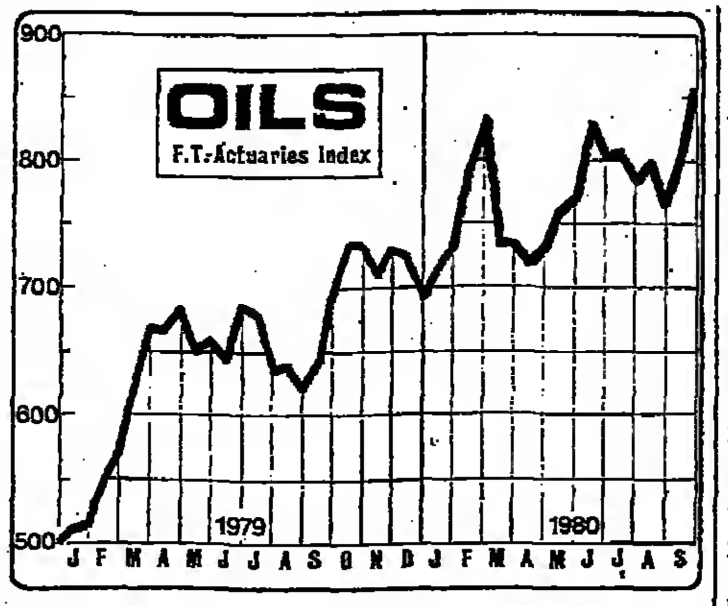
Dunlop battles on

Shareholders in Dunlop are probably as baffled as the tyre manufacturer itself about the mysterious Malaysian stakes in the company but at least their presence will have reinforced the Board's determination to maintain the interim dividend in the face of difficult trading conditions and in the absence of distributable profits.

One of the Malaysian investors, Goodyield Plaza, has come out into the open and declared a 5.3 per cent interest, but local businessmen are now suggesting that other holders of upwards of a further 20 per cent could pool their stakes before disclosing their identities. Department of Trade inspectors have been sleuthing on the spot during the week and a report of their findings will probably be published in October.

In the meantime, the group is working hard to cut back fixed and working capital expenditure but it was not able to prevent a slight trading profit improvement deteriorating into a £3m interim pre-tax downturn to £15m.

Parts of the group are going reasonably well—German tyre profits are better as are the sports and industrial interests in Continental Europe—but it will take a considerable time before the industries connected to the UK motor trade can budget for strong growth.



MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1980 High	1980 Low	
F.T. Ind. Ord. index	481.0	−13.4	508.9	406.9	Bleak outlook for manufacturers
F.T Gold Mines index	499.8	− 5.0	558.9	265.5	Desipte Monday's leap of 54 pts.
Anglo-American Gold	£53¾	+ 2¼	£60	£30½	Higher bullion price
B.L.	24	+ 7	24	16	Concession to shareholders
BP	384	+22	412	320	Iran/Iraq contronation
BTR	362	−16	389	208	Proposed £60m rights issue
Barratt Developments	168	+25	168	100	Good annual results
Beatson Clark	100	−24	152	100	Poor interim results
Brown & Jackson	92	−38	220	80	Interim profits slump
Camrex	29	+ 8	44	21	Recovery hopes
Cornell Dresses	76	+18	88	10½	Renewed speculative support
Grattan Warehouses	70	+18	110	50	Better-than-expected ½-year figs.
GKN	180	−11	279	178	Recent depressing int.
Hoskins & Horton	58	−30	112	58	Half-year loss, int. passed
Kean & Scott	75	+44	75	25	Hawley Leisure buy nr.-43% at20p
Minorco	610	+142	690	326	U.S. buying
Stewart Wrightson	212	−28	242	168	Disappointing interim results
Sykes (Henry)	26	− 9	65	26	Sharply reduced int. earnings
Tarmac	276	−21	298	183	Int. profits below expectations
Ultramar	440	+58	443	206	Bid speculation

Still the show goes on

NEW YORK

IAN HARGREAVES

THE AUDIENCE is seated, the lights go down for the opening of a long-running Broadway musical, but instead of the band and the overture, the curtains open to reveal a newscaster, breathlessly and with increasingly difficulty trying to communicate an unstoppable flow of self-contradictory despatches.

That is how it seemed on the New York Stock Exchange this week. The long-running show, of course, has been the five-month rally which has taken the Dow Jones Industrial Average from the mid-700s to the mid-900s.

As that rally progressed, the big institutional money has started to move creating steady volume above the 50m shares a day mark and creating a sense of purpose in the market which has not been seriously dented by rising interest rates or worries about inflation and the economy.

But this week, the institutions, ever in search of a safe haven for their investments, found that the show had changed and really had no idea how to react. Perhaps the most remarkable day was Monday, when it first became clear that the conflict between Iran and Iraq had developed into full scale war. The Dow put on almost 11 points, reaching its highest point for over three and a half years.

On Tuesday, there were second thoughts and a 12.54 drop in the Dow. Wednesday came in neutral, Thursday the jitters set in and Friday, the morning after he Fed announcement of a 1 per cent rise in the discount rate, chaos prevailed.

It is not easy, in these conditions, to sort out which events produced which trends in the market, but it is important to try to do so on the grounds that, arguably at least, fundamentals about the economy have registered a decisive shift this week.

But leaving the economy aside for amoment, the market has also ben trying to sort out its reaction to the Middle East war. The obvious one was that with less oil flowing from the region, the oil glut would dry up, prices would rise and the oil companies would benefit. Gulf Oil showed a gain each day of the week, from 38¾ at the close last Friday to 42⅞ at Thursday's close. The sprinting oils were chiefly responsible for Monday's surge in the Dow.

For some other sectors, more expensive oil is a big negative. Airlines did badly and Delta, one of the financially stronger U.S. airlines, followed a reverse line from Gulf, falling from 51 to 46⅞.

Precious metals, meanwhile, which usually do well when the world is in flames, found the gold market curiously cautious about how far the flames would spread. The gold price hesitated later in the week and so did the precious metal stocks. Homestake mining jumped from 97⅞ to over 107 on Monday, but had fallen back to 101 by Thursday.

Such simple analysis is not possible, however, for most other groups of stocks. The high technology issues, not exactly a momogenous group but a group which has generally been in god favour in the last month, ran out of steam and Mr. Michael Blumenthal, former Treasury Secretary, who was named chief executive of Burroughs on Thursday, somewhat earlier than had been expected, had the misfortune to see his company's share price speed its descent. It was down from over 70 to 62½ on the week.

The motors had a fairly stable week, in spite of dreadful mid-September car sales figures and a public expression of alram by Mr. Lee Iacocca, chairman of Chrysler, about the dangers of higher interst rates. American motors, which strengthened its ties with Renault, hovered around the six mark, Chrysler around 10.

As for the economy, calculations are bound to be cautious at this stage, but the decision of the Fed to use its bluntest weapon, the discount rate, to try to curb excessive monetary growth is certain to give a new push to other interest rates, with the prime moving half a point higher to 13 per cent yesterday and likely to go higher again soon.

This has happened just as economists were starting to concur that the recession has been over for a good eight weeks, as evidenced in a spate of government economic indicators in that period.

But it is precisely in those eight weeks that interest rates have renewed their climb, undermining optimism in the key housing sector and posing a threat to Detroit as it enters its new model year.

If the housing start figures for September and the car sales for October look bad, as well they might, the prospects for any real economic growth in the final quarter would be seriously dimmed.

That is the most important question for the market to wrestle with next week, because it must make some estimate about the prospects for corporate earnings. It may well conclude for the meantime that a new President, whoever he is, a tax cut and an inflation-hardened public are good at least for another half year of self-delusory advance . . . in spite of Mr. Volcker's salvoes from the Fed.

If the market takes a longer view, the prospect in the next year is for an economic growth curve which will look more like the kind of straight line my four-year-old son draws.

CLOSING PRICES

Monday	974.57	+10.83
Tuesday	962.03	−12.54
Wednesday	964.76	+ 2.73
Thursday	955.97	− 8.79

The bull that fled

MINING

KENNETH MARSTON

GOLD and gold shares responded like bulls on the rampage at the beginning of the week to the news of the fighting between Iraq and Iran with the unnerving possibilities that this held out. The price of bullion jumped $34 to $711½ on Monday while the Gold Mines index scored its biggest-ever rise on one day of 54.1 to a record 558.9.

But then a strange thing happened. While the war between the two Middle East oil producers continued to rage, the bullion and share markets paused like a bull confronted with a five-barred gate and then they trotted away with hardly a whimper.

Bullion gradually slipped back to under $700 at one time while the share price index steadily lost ground each day finally to lose more than it had gained on the mad Monday. "It was like it had never happened," said one of my sharemarket friends.

Does this mean that the price of gold is now less responsive to political upheavals than it was in the past? It rather looks this way. When you look back over the past few years it becomes apparent that the price of bullion has been more influenced by economic considerations, notably inflation.

At the same time, the growth in the amount of gold held in public hands has been such that sudden spurts in the price can trigger off a fair amount of profit-taking. Holdings of the one-ounce Krugerrand gold coins, for example, now total over 29m which is equal to a value of around $20bn at today's prices. Then, of course, there are the big holdings of gold in other forms to be considered.

The market forces represented by all this bullion are only one factor pointing to the likelihood of more stable gold prices. Another is the attitude of the South African Government which also desires stability and which regulates the country's gold sales while, as I pointed out last week, the Russians may also prefer that the boat should not be rocked.

This being said, gold still looks to be in a basically rising trend because the underlying fundamental factors remain. Inflation is far from dead and could rise again in the U.S. if reflationary policies are followed there after the Presidential election while the supply of newly mined gold to the market seems unlikely to increase much in the near term at least, despite all the prospecting activity that is going on.

The move towards milling a higher proportion of the lower grade ore has resulted in extending the lives of the mines but it also means lower production of gold. South African output, which fell 3 tonnes to 703.3 tonnes last year could fall by a further 20 to 25 tonnes this year according to Mr. L. W. P. van den Bosch, vice-president of the Chamber of Mines.

At the same time, however, there is a great deal of effort being devoted to mining areas that were previously uneconomic at the lower gold prices then obtaining. One of the latest exciting developments is the R400m (£221m) plan to mine the Erfdeel-Dankbaarbeid area of the Orange Free State in conjunction with existing mines and further details of this are reported on another page.

A curiosity in the mining sharemarkets this week has been provided by the Anglo American Corporation group's Bermuda-registered Minerals and Resources Corporation (Minorco). The company's major asset is a 28.4 per cent stake in the U.S. Engelhard precious metals refining and base metal marketing group which is heading for another splendid year.

So, too, is Minorco but the prospects have been pretty well allowed for in the share price which on Monday was 480p to show a yield of just under 2 per cent. On the following day, however, it leaped 165p to 645p and at one time on Wednesday it touched 690p before succumbing to profit-taking. The movements puzzled everybody and could only be ascribed to U.S. demand.

But why did the Americans suddenly decide to buy? The answer is believed to lie in the U.S. practice of hot selling. An American brokerage house will decide that a share is worth buying and instead of issuing a circular to clients, as is done here, a team of commission-earning salesmen springs into action and the telephones of potential buyers ring merrily.

If all goes well for the salesmen the sudden buying response can be remarkable in its effect on the price of a share. It has happened before and can happen again. It appears to have happened in the case of Minorco and holders might consider taking their profits before the buying enthusiasm fades away. The shares were 610p yesterday.

TIN OUTPUTS COMPARED

	Aug. 1980 tonnes	July 1980 tonnes	Total to date tonnes	(months)	Same period previous year tonnes
Amal. of Nigeria (tin)	¶	99	527	(4)	554
Amal. of Nigeria (colombite)	¶	19	83	(4)	58
Aokam	83	114	197	(2)	276
Ayer Hitam	157	98	255	(2)	320
Berjuntai	334	350	1,275	(4)	1,251
Bisichi Jantar (tin)	¶	21	160	(7)	170
Bisichi Jantar (colombite)	¶	30½	196½	(7)	218¼
CRM Sri Timah	50¾	68¾	620¼	(8)	556½
Geevor‡	45	120	429	(5)	427
Gold and Base (tin)	¶	22	168	(7)	179
Gopeng	163½	165½	1,770½	(11)	1,781½
Idris	15¼	17¼	137¾	(3)	177½
Kamunting	Nil	Nil	20	(5)	258
Killinghall	¶	¶	190¾	(6)	194¾
Kinta Kellas	27½	27½	139½	(5)	181½
Kuala Kampur	18	21	113	(5)	123
Lower Perak	21	26	92	(4)	67
Malayan	262	251	513	(2)	663
Pahang	107	107	107	(1)	127
Pengkalen	5½	7½	146¼	(11)	220½
Petaling	121½	134¼	1,395½	(10)	1,276
Rahman	97	109¾	206½	(2)	142
St. Piran—Far East	11	15	80	(5)	44
St. Piran—UK (South Crofty)	116	149	790	(5)	728
St. Piran—Thailand	46	74	334	(5)	421
Southern Kinta	104	94	515	(5)	745
Southern Malayan	154	181	335	(2)	291
Sungei Besi	104	126	571	(5)	812
Tanjong	32¼	38	193¾	(8)	128¾
Tongkah Harbour	33	34	67	(2)	85
Tronoh	130	149	1,067	(8)	1,437

‡ Figures include low-grade material. ¶ Not yet available. Outputs are shown in metric tonnes of tin concentrates.

FINANCE AND THE FAMILY

Bank deposit interest tax

BY OUR LEGAL STAFF

My daughter works and pays tax in Spain, coming to tha UK only for holidays. If she opened a deposit account in the UK, what would be the tax position?

Your daughter should be exempt from UK income tax on bank deposit interest, as long as she is regarded by the UK tax authorities as neither resident nor ordinarily resident here. If you ask your local tax inspector for a copy of the (free) booklet of extrastatutory concessions, IRI, you will fiod the full answer to your questions in concessioos B13 (on page 5 of tbe latest supplement in the booklet: IRI (Supp) (1979)).

When opening a deposit account in the UK, your daughter should tell the bank that she is not ordinarily resident in the UK (for UK tax purposes) aod formally request the bank oot to report her deposit interest to the Inland Revenue (by virtue of subsection 4 of section 17 of the Taxes Management Act 1970).

We claim no expertise in the tax laws of Spain, but it appears that your daughter will be taxable there on her UK deposit interest.

Survivorship and an estate

I refer to your replies (August 23) regarding Survivorship and an estate, and the transfer of ownersbip of a hungalow to the survivor. My husband's estate consists of onr bungalow and shares in joint ownership. He also held National Savings Certificates in his name only. The solicitor is drawing up a list for confirmation of all the property Including items In joint ownership. Is this required hy Scottisb law?

Although your hushand aod yourself held the family home and certain investments in joint oames the value of his interest in these items still form part of his estate and require to be Included in the inventory thereof for confirmation purposes.

Confirmatioo is requlred firstly for Revenue purposes and secondly to entitle tbe executor appointed to administer your husband's estate to transfer yuor husband's interest in these items to the beneficiary entitled to them under his will.

Of course It will be made clear in the inventory that these Items are included in respect of your husband's ½ pro indiviso share only. Your interest will not form part of the inventory.

Landlord and repairs

We have a flat that has been managed hy an agent, and is let on a Regnlated Tenancy. Could you advise who is responsible for minor repairs such as putting a new washer, or repacking the gland on a a tap, freeing a ballvalve that sticks, or putting a new washer on It? The reason I ask is that the tenant had had according to the statements from the agent, and involces, 5 new hallvalves to one toilet In six years.

Assuming that your tenant is on a periodic tenaney, the Housing Act 1961 (section 33) requires the landlord to he responsible for the repair of installations for (among other things) the supply of water and sanitation.

Valuation list and rates

In March this year I was informed by the District Valner that he proposed to increase the rateable valne of my home nad kennels (I run a qnarantine kennels) by 75 per cent. Soon afterwards I was dunned hy the local anthority for the increased rates and on advice I agreed to pay them. Then I read your advice under "Confirming rateable valne" (August 2), which caused me to write to the Local Anthority to say that as the Increase was subject to appeal I intended to pay at the old rate until the appeal had heen heard.

I bave now bad a reply in which they say that they refer to the case of Newcastle-under-Lyme BC v B. Kettle Limited, and say that tbey have a right to charge and recover rates in accordance with the valuation officer's proposal irrespective of appeal. What, please, de yon advise?

The rating authority is entitled to collect from you the full amonnt of the rate based oo the proposal which is currently heing determined only where the ratiog authority has ameoded the valuatioo list consequent on the valuation officer's proposal. That authority arises under section 6(2) of the General Rate Act 1967. If a proposal has been made but the list has not heeo altered, you do not have to pay at the revised rate until the proposal has been adjudicated upon.

Conditions of trust for sale

A lady of my acquaintance is leaving her house to her two children, bot wants to ensure that her son can continue to live in it, and that her daughter coold not exercise the trust for sale without his agreement. If the daughter were made executor and sold the house, even in breach of trust, would the sale he irreversible? Would it be hetter for the son to be executor as well? To ensure that the son can veto a proposed sale, would it be useful to have a promise in the wili to the effect that the bouse is not to be sold during their joint will unless both consent thereto?

A sale by the executor would be irreversible if the purchaser bad oo notice of the terms of the will (as he should not). The executor would assent to the beneficiaries as joint tenants, aod they will theo automatically hold as trustees for sale. One trustee for sale can only insist on a sale against the other's wishes if there is no special purpose to be served in keeping the property unsold. Here an express direction io the will not to sell without the soo's prior written consent would prevent a sale being forced through. The execution of a conveyaoce or transfer on sale would have to be by both, so there is no question of a sale by one in hreach of trust. The provision which you envisage as to consent of both would also be effective.

House on trust for sale

I am thinking of awarding a family "companion" by leaving my house and contents to her for life, or as long as needed, and then to go without delay to a member of my family. Could you please tell me the best way of doing this?

There is no reason why you should not leave the house and contents on trust for sale (this is a technical requirement only) and to hold the proceeds of sale on trust for the companion for life with remainder to the family beneficiary; giving a direction to postpone sale so long as the live tenant resides or wishes to reside in the house. But you would be wise to consult a solicitor as to the precise wording to be used.

No legal responsibility can be accepted by the Financial Times for the answers given io these columns. All ioquiries will be answered by post as soon as possible.

Systematic tax avoidance

I am concerned to take maximum advantage of tax exemption and 30 per cent tax capital gain, instead of income taxable at 30 per cent plus 15 per cent investment income surcharge over the exempt £5,000 per annum. My qnery related to the buying and selling of short dates (five years or less) Gilt Stock, is: (a) (i) If I buy short dated Gilt Stock xd and sell sum D after five months (or after 10 months baving received Interest payment assessable to income tax) I have a yield of the accrued interest plus or minus the price movement. Is this assessable to capital gain? (ii) I have done this once every tax year for several years in the context of a small range of other dealings in equlties and lt has always been accepted as capital gain, hut is there a firm rule and can I deal in this way with a number ef Gilt Stocks on a number of occasions in a tax year and be able to reply on all dealings being assessable to capital gain? (iii) Would lt make any difference If I was not dealing in equities? (h) If after holding a short gilt for over one year I sell some dividend is the yield of accrued interest plus or minus the price movement always accepted as assessable to capital gains? (c) Having sold a particular gilt stock is there a ruling as to what period of time must elapse before re-purchasing the same stock for it to he treated as a separate transaction unrelated to the previous dealing for tax purposes?

Tax avoidance is a risky game for someone who knows little of the tax laws. Yon may well find that trying to avoid the expense of professional guidance through the minefield of antiavoidance legislation proves to have been a falsa economy.

The answers to your questions are as follows, in broad terms: (a) (i) Yes, but that does not preclude an income tax assessment nnder section 30 of the Income and Corporation Taxes Act 1970 as well. (ii) No, assessment to CGT does not preclnde assessment to IT under section 30 as well. (iii) No, section 30 would apply regardless of whether you bought and sold equities (and equities may themselves be caught by subsection 6(b) of section 30). (b) No, the gain should be exempt from CGT, under section 67(1) of the Capital Gains Tax Act 1979, but the sale may be caught by section 30 of the Taxes Act. (c) If you are talking about establishing a CGT loss, the answer is a calendar month, generally speaking, under section 70 of the CGT Act, but we really do not nnderstand what you have in mind.

In embarking upon systematic tax avoidance, your first step must be either (i) to seek professional guidance or (ii), if you decide to go lt alone, to spend an hour or so in a public reference library with, say, the British Tax Encyclopedia or Simon's Taxes, starting with a thorough reading of section 30 of the Income and Corporation Taxes Act 1970, as amended (in volume 1 of the Encyclopedia or ln volume G of Simon). It is unwise to rely upon anyone's paraphrase of section 30, or any other antiavoidance legislation, without reading and rereading the actual words of the legislation.

Be a reasonable man

INSURANCE

JOHN PHILIP

DOES AN error of judgment amount in law to negligence, so that compensation for injury or damage must be paid?

Because English liability law has developed the concept of the reasooable man, and because in the cases before them the judges have decided that the reasonable man, in practice, oever makes a mistake, the usual answer to my question is "Yes—anyooe who makes an error of judgment is liable to make compensation."

In everyday life this is probably good sense: Take for example road accidents. The majority can be said to arise from errors of judgment, rather than carelessoess or recklessness. No ooe disputes that the average motorist, making an error of judgment, should be liable to pay compensation for the injury or damage he causes.

However, there is one rule for motorists, who might be termed the ordinary man and womao at the wheel, and another rule for the medical and surgical professionals who atteod to physical needs. Receotly the Court of Appeal in tbe case of *Whitehouse v Jordon* ruled that an error of judgment on the part of a doctor was distinguishable from professional negligence: while for his professional negligence the doctor would be legally liable to pay compensation, for his errors of judgment, he would not.

The distinction between an error of judgment and negligence is a fine one, and wbether a particular act or omission constitutes one or the other must, io any dispute, be for the judges to determine. But so long as the Court of Appeal judgment stands there are bound to be some medical professional negligence claims where the victim fails to gat compensation.

To this extent English law is moving in a directioo different from the law in most of the U.S., where in medical malpractice claims the victim is virtually assured of success. Many of our medical men, knowing how legally difficult a doctor's life has become in the U.S., reckon that English law holds a fair balanca between patient and medical advisor.

This is fine from the doctor's point of view, but not so good from the viewpoint of the victim of medical error of judgment, particularly if that error has disastrous physical or mental consequences as in *Whitehouse v. Jordon*, where compensation if payabla, had been assessed at £100,000.

There can he only relatively few such cases, but the question is being asked, is there anything any of us can do, by way of buying private insurance, to ensure adequate compensation in the event of medical mishap, for which doctor or surgeon cannot be held legally liable.

Because there are only relatively few such cases, the answer to the question is "specifically, nothing." But there may he ways of ensuring some compensation under orthodox disablement insurance covering accident and sickness, whether bought hy way of an annually renewable policy or by way of a non-cancellable permanent health contract.

Annual contracts can be arranged to pay capital sums oot only for death, loss of limbs and sight but because of permanent disablement, while both annual policies and PHI contracts provide weekly or monthly benefit during disablement, subject of course to policy time limits.

It seems to me that it can cost insurers little—and therefore extra premium should be negligible—positively to include cover for medical error within the terms of standard contracts. Indeed, some insurers will say the cover is there already, without need for positive mention.

For anyone who advocates changing the law, it is worth recalling that two years ago was published the report of the Pearson Commission, which at great length reviewed our law on civil liability and compensation for personal injury.

Chapter 24 of that report, pages 280-291 of volume 1, dealt with medical injury and the commission decided that it "could not recommend the introduction of a no fault scheme for medical accidents in the United Kingdom."

Since the Commission's positive recommendations, particularly in the motor and employer's liability spheres seem, by successive administrations, to have been put into cold storage, how much more likely is it that such a negative recommendation has been readily accepted. Legislative, as distinct from judicial change, is clearly most unlikely.

Tim Dickson looks at a new gold coin family

Sons of Krugerrand

SOUTH AFRICAN *gold producers* this week showed a nice sense of timing (unintentional, of course) by promoting their new "family" of mini Krugerrands at the moment when the *world suddenly seems a more* dangerous place to live.

Advance orders for the new coins have topped $75m (about £31m) and although the gold price has cooled off after an initial burst, keen interest from small investors is already reported by dealers.

The new series of coins, which weigh half a troy ounce, a quarter of a troy ounce and one-tenth of a troy ounce of pure gold, has been prompted by the spectacular rise in the price of bullion. It is easy to forget that a year ago gold was trading at "only" $350, around half its present level. The result, according to the Chamber of Mines of South Africa, has been to put the popular and highly successful one ounce Krugerrand beyond the reach of many small investors.

Customers will now be able to satisfy their appetite for gold coins for an outlay (at current prices) of less than £40 in the case of the one-tenth ounce Krugerrand, about £80 in the case of the quarter ounce and around £160 for the half ounce. These prices, of course, are only current estimates and depend very much on where the coins *are purchased.*

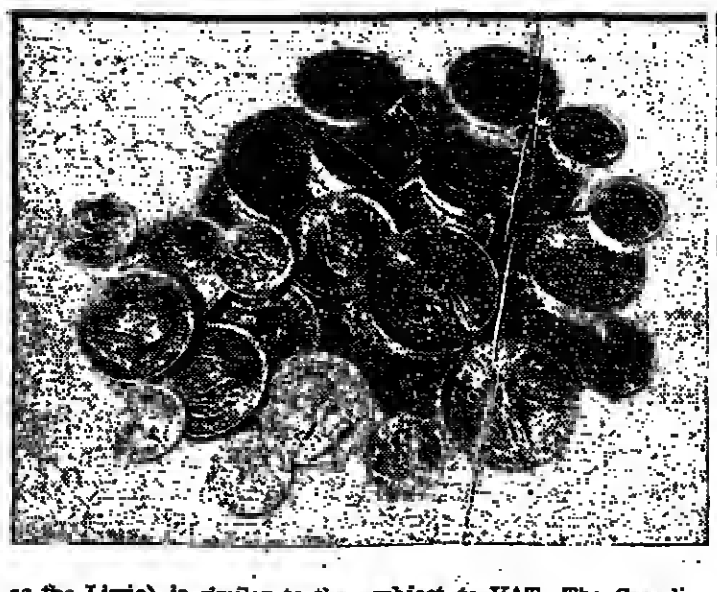
Those interested in the coins, indeed, will do well to shop around. The new Krugerrands will be marketed as bullion coins with the producer charging premiums from source over the value of the gold content of 5 per cent for the half ounce coin, 7 per cent for the quarter ounce and 9 per cent for the one-tenth ounce. This, however, is what big bullion houses like Johnson Matthey, Mocatta and Goldsmid and Sharps Pixley, which act as agents in Britain, pay the South Africa Chamber of Mines for their coins. In passing them on to individuals, especially in small lots, wholesalers will add their own premium on top. What they will pay for coins bought back will also vary *widely, being affected very* much by supply and demand.

Anyone living in London can buy Kruggerands over the counter from the three bullion houses mentioned above. Otherwise they can be ordered through a bank or stockbroker or bought from most coin dealers and many jewellers.

Remember that stockbrokers are primarily in the business of buying and selling stocks and shares while jewellers are used to putting big mark-ups on their goods.

Krugerrands, which unlike gold bars, are exempt from VAT of 15 per cent, are undoubtedly a sensible way for small investors to purchase gold. Nevertheless the success of the South Africans' marketing efforts is such that alternatives, notably sovereigns, tend to get overlooked.

Sovereigns are struck by the Royal Mint at its premises in *South Wales with gold supplied* from the UK's reserves by the Bank of England. This is a profitable business for the British taxpayer (quite how profitable remains a secret) because the Bank adds a premium (currently around 8-10 per cent) which more than covers the manufacturing costs.



The sovereign (often known as the Lizzie) is similar to the quarter ounce Krugerrand, the difference being that it carries the head of the Queen instead of Paul Kruger and contains slightly less gold than its new rival (0.2354 ounces to be precise).

Sovereigns are undoubtedly competitive when it comes to cost and there is a huge market, particularly from Middle Eastern and Mediterranean buyers whose respect and trust they command. Other governments which have been cashing in on the demand for gold coins are Mexico and Canada. The Mexican peso, however, is not legal tender and is therefore subject to VAT. The Canadian Maple Leaf is exempt from this tax but at the moment the market is somewhat restricted.

Finally, what about the price of gold? As usual opinions vary widely with some observers confidently predicting $1,000 an ounce in the New Year while others, encouraged by its surprisingly unexciting performance in the last few days, take a more bearish view. Small investors should certainly be prepared to put their coins under a mattress on the view that the recurring problems of inflation and a weak dollar will push up the price over the longer term.

A new bond game . . .

INVESTMENT

ERIC SHORT

UNIT TRUSTS versus life assurance bonds. The battle between promoters of these two investment mediums has raged for some time but the contest entered a new phase after this year's Budget. On the face of it unit trusts now look much more attractive, thanks to tax concessions now enshrined in the Finance Act. But according to second quarter figures issued by the Life Offices Association, sales of single premium linked bonds have continued to remain steady. There are two reasons.

First, life company direct salesmen (who market single premium bonds) cannot sell direct investment in unit trusts. It is forbidden by the authorities. Thus Abbey Life salesmen, for instance, cannot sell Abbey Life unit trusts direct to the public. They have to be linked to a life contract, such as a bond.

Secondly and perhaps rather disturbingly, many insurance brokers and other intermediaries are still selling bonds to clients in preference to unit trusts, despite the changes made. Those linked life companies selling through brokers, for instance, are now placing great emphasis on the range of investment offered by bonds and the *switching facilities* available, features which admittedly are not available to the same extent with unit trusts.

The feeling persists, however, that many intermediaries still sell bonds because they can get higher commission. It is as well to sum up the differences between the two.

Unit trust funds do not pay Capital Gains Tax on their holdings and investment dividends are taxed as franked investment income, that is at 30 per cent. The unit holder is taxed on the distribution of dividends over and above that paid by the unit trust group. And he pays CGT when he cashes in his units, though there is now a £3,000 tax-free threshold.

With bonds the life fund pays tax at 37½ per cent on investment dividends for an internal fund and CGT on capital gains made within a year. On cash-in the bondholder pays higher rate tax on the profit using top-slicing arrangements.

To decide which offers the better return means investigation of the client's tax position now and in the future, the expected returns on the investment and a host of other factors. To do a complete analysis is a time-consuming factor. But generally the unit trust is a better vehicle for the small investor paying basic rate tax.

This week Henderson Administration which runs a large unit trust operation launched its linked life operation, including an Investment Bond Portfolio, in conjunction with Provincial Life. Later it intends to market regular savings plans and pension contracts.

Henderson operates solely through brokers and other selected intermediaries able to offer a investment planning service. And it freely admits that it leaves the responsibility for advice with the intermediary. Bonds are still being sold by brokers so Henderson wants to get into the market.

Going upmarket a strong case can be made for bond investment. The switching facility can mean much more and the CGT advantage of unit trusts is much less.

YOUR SAVINGS AND INVESTMENTS—2

Eric Short reports on a new idea in insurance marketing

Putting Life into shopping

CAN LIFE assurance contracts be sold like cornflakes, baked beans or soap powder from the shelves of a supermarket? The selling side of the life assurance industry has up to now been extremely sceptical of the whole concept of mass marketing, though certain life companies have been experimenting with direct mail and newspaper coupon advertising.

But Tesco, the supermarket chain, is in the throes of an experiment to see if it can sell insurance in its stores.

For mass-marketing, an insurance product needs to be simple to explain, easy to underwrite and be available to most sections of the consumer market. Anything complex is a non-starter. These requirements cut out 99 per cent of the insurance contracts at present on the market.

The product Tesco has chosen for its test launch is the Family Fortune Plan devised by the friendly society Family Assurance—a member of the Planned Savings Assurance Group.

This plan was launched early this year and described in these columns. Basically, it is a building society-linked savings scheme, with the premiums invested with the Abbey National Building Society after a deduction for life cover and expenses.

Because it is a friendly society contract, it is available only to married couples, or single persons with child dependants. Only the return of premiums is available on cash-in before the end of the ten-year savings period.

The scheme is described in leaflet form, setting out the pros and cons in layman's language. The changeover in the method of giving tax relief as a credit has been of positive benefit to mass marketing. One simply needs to state that the investor gets this benefit.

Tesco launched its plan at the beginning of the month at nine stores around Britain—including Finchley, North London, Stevenage, Herts, Pitsea, Essex, and Scarborough, North Yorkshire.

Shoppers at the selected stores will see bargain spelt out in hanging cards over the checkout points and in widely-scattered "shelf talkers"—little cards attached to the shelves directing people to collect explanatory leaflets.

Some people are compulsive leaflet-takers and since this scheme is not available to all consumers, Tesco has printed mini-leaflets setting out the main theme. The main leaflets, with the proposal forms are kept at a stand behind the checkout points.

The proposal forms are posted to Tesco Savings, which is managed by Chesham Hill, Tesco's insurance brokers.

The policy, like baked beans and any other Tesco product, will benefit from the "Checkout" scheme. Persons taking out a Family Fortune Plan will receive a £5 voucher.

If the scheme proves successful, Tesco will extend its sales to all stores. A decision will probably be taken by the end of next month, although Tesco is flexible on this point.

So where does the market go from here? Even if this scheme is successful, it is difficult to see Tesco expanding the range of insurance products sold on its shelves. One can only think of certain simplified life protection policies, such as those sold by Lloyd's Life and now Sun Alliance, through newspapers.

It must be remembered that certain department stores offer insurance sales at the counter for interested customers. But this is not mass marketing as such. The service is given in the same way as holiday travel is offered in these stores.

The desk is manned by persons with some insurance training and a whole range of products is offered and advice given depending on the consumer's requirements.

But all these marketing experiments are merely scratching the surface compared with developments in Australia. Scottish Amicable is negotiating to sell insurance through David Jones, a major chain store in New South Wales.

Under the scheme, the insurance company would contact all the customers on the store's credit list. Those who took out insurance would have the premiums paid by the store direct to the life company and the store would recoup the premiums from credit arrangements.

The final hurdle

RHODESIAN BONDS

TIM DICKSON

THE 15,000 UK holders of Rhodesian bonds are now approaching the final fence and they will be well advised to look carefully before making their leap.

Formal offer documents from the Government of Zimbabwe were posted off this week and those who thought they were in for a bit of light reading will experience a rude shock. The terms and the tax considerations are, to put it mildly, highly complex.

Details of the offer were first made public last month. This followed protracted negotiations during the summer between the newly emergent Zimbabwe Government and the Council of the Corporation of Foreign Bondholders, representing holders of the 12 publicly quoted Southern Rhodesia stocks. No interest payments or capital redemptions have been made to UK residents since UDI in November 1965.

Judging by the reaction of the stock market and the squeal over burnt fingers in Throgmorton Street, the terms of the settlement were a disappointment to many speculators. But while the offer in no way compensates original investors for their loss, most observers now accept that the Council of Foreign Bondholders extracted the best deal in the circumstances.

As Mr. Michael Gough, secretary general of the Council, points out: "When we first met the Zimbabwean Ministers they felt their only obligation was to pay off the outstanding interest and capital arrears. They had no intention of paying any extra interest on stocks which had passed redemption or on the money which they have now agreed to pay back over eight years."

Bondholders have an opportunity to untangle these terms, which broadly speaking are a mixture of cash and new stock. The first thing to establish is your entitlement amount, which comprises three separate parts: first, any capital not repaid; next, any interest (excluding the first unpaid instalment on each of the stocks due after November 21, 1965) not paid up to the maturity date: and finally, an additional amount, equivalent to about 5.6 per cent (simple) per annum on the capital, in respect of periods from the maturity dates up to June 30, 1980. The exception here is the 6 per cent stock 1976-79 for which this additional amount is equivalent to 6 per cent (simple) per annum.

Thus anyone who holds £100 nominal of the 2½ per cent stock 1965-70 is entitled to the £100 principal plus interest arrears of £66.17, making a total of £166.17. A holding of £100 nominal of the 3 per cent stock 1971-73 is worth £162.31 (£100 plus £62.31).

Once these sums have been worked out it is not, alas, just a simple question of receiving a cheque through the letter-box. The Zimbabwean Government says it can afford to pay off only £11m at the moment, with the rest (some £80m) to be paid back in half-yearly instalments over eight years.

Assenting holders will therefore receive two cash payments, the first (amounting to 14.4 per cent of the Entitlement Amount) to be paid immediately on acceptance and the second (amounting to 1.53 per cent of the Entitlement Amount) on or after April 15 next year.

The balance (i.e. 84.07 per cent of the Entitlement Amount) will be satisfied by the issue of an annuity. The annuity entitles the holder to 16 equal, consecutive half yearly payments, the first to be made on April 15, 1981, the last to fall on October 15, 1980. Interest will be paid on the outstanding amount at a rate (simple) of 10.25 per cent per annum.

The best way to understand this is to think of yourself (the bondholder) as a building society lending money to a housebuyer. As the eight years progress the payments back to you comprise an increasing amount of "capital" and decreasing amounts of "interest."

The example given in the offer document shows that someone whose annuity capital (that is the entitlement amount left after the two cash payments) is £537.10 will receive equal half yearly payments of £50 for eight years. Suffice it to say that there will be plenty of number crunching for the registrars.

Holders of current stocks (that is the four which have not yet reached maturity) will receive their interest arrears in the same way while interest payments will be resumed.

Finally, a word about the tax you will be expected to pay, a thorny problem which has occasioned lengthy negotiations with the Inland Revenue. Basically, the Government is playing everything right by the book so that bondholders will be expected to pay income tax immediately interest arrears are received and capital gains tax on the capital element.

The capital portion of each annuity payment is, for example, seen as a part disposal. The only concession which the Inland Revenue has granted is a tax free roll over from the old bond to the new annuity. The important thing to remember is that the element of the cash payments and the annuity which relate to interest arrears will be treated as income and paid net of basic rate tax.

Sharp gains were recorded on most of the 12 Southern Rhodesia this week as investors reassessed the political risk involved. This, however, is still clearly an important factor, as the high redemption yields (well over 20 per cent generally) illustrate.

The big question now is to decide whether to assent (i.e. accept the offer and the annuity) or sell your bond nonassented in the market. Anyone who pays little or no tax should certainly assent and take the money and half-yearly payments as soon as possible.

Even this, however, is complicated since the Inland Revenue has decided that the amount of income tax which can be reclaimed by gross funds or non taxpayers will depend on the market price of the annuity at the time it is issued, not on the par value.

Higher rate taxpayers are probably best advised to sell their bonds non-assented in order to establish a capital gain or loss. Jobbers are already making a market in these stocks. The price in theory should reflect the cash payments, the value of the annuity and an estimate of the tax which can be reclaimed.

At this stage the market is highly confused, so individual bondholders can be excused for feeling bewildered. Expert advice in this case is absolutely essential before deciding what move to make.

A sweeter taste

LIKE MANY arcane forms of gambling, traded options, which carry the right to buy or sell shares of a company at a set price by a set future date, are an acquired taste.

Although the London Traded Options Market has been operating for more than two years, a leading broker in this trade estimates that only about 3,000 investors are regular participants.

The Stock Exchange, which sponsors the market, reports that volume has recently passed the 1,200 contracts-a-day break-even point.

The main reason offered for the slow growth of the traded options market has been the perverse capital gains tax treatment applied by the Inland Revenue.

The Government cleared away one tax obstacle in the Finance Act last April. And this week, the Stock Exchange altered its dealing procedure so that the remaining tax problem could also be solved by the Finance Act changes.

Mr. Nicholas Goodison, chairman of the Exchange, called the latest move "very significant" and predicted that it would lead to a major increase in activity in traded options.

The main tax problem until this year was that an option was regarded as a wasting asset whose value, for tax purposes, declined on a straight-line basis until its expiry date.

However, an option on shares of a company may decrease more slowly than the straight-line trend, depending on the movement in the value of the shares and an investor could then end up paying tax on a loss. For example, an investor might buy a three-month option for 100p and decide to sell it a month and a half later at the prevailing market price of, say 60p.

In the Inland Revenue's view, he was then deemed to have made a profit (on the notional 50p value at the mid-point of the option's life) whereas in fact he had lost 40p.

As a result of the change, which became effective on April 5, the full cost of buying an option is allowable in computing the gain which may arise on selling it. The full cost may also be claimed if the option is simply abandoned as worthless at expiration.

The remaining tax problem arose because the writer (or seller) of a traded option may decide at some point during the life of the option that he wants to "close" the position. In other words, he buys an option carrying the same terms so that it will at least nullify the potential sale of shares required by the option he wrote.

For example, suppose you hold 1,000 RTZ shares and you don't think the shares are going to move much but you don't want to sell. You could write an option to buy them in three months at the current price. (So far, the Exchange permits the writing of options to buy shares, so-called "call" options, only. Options to sell are called "put" options.)

Someone else who thinks RTZ shares will increase in value may decide to pay you £10 for the option. If the shares don't rise in value, he will not exercise the option and you keep both the £10 and the shares.

If they do rise significantly during the life of the option, you could protect your shares by buying an option to purchase the same number of RTZ shares on the same date.

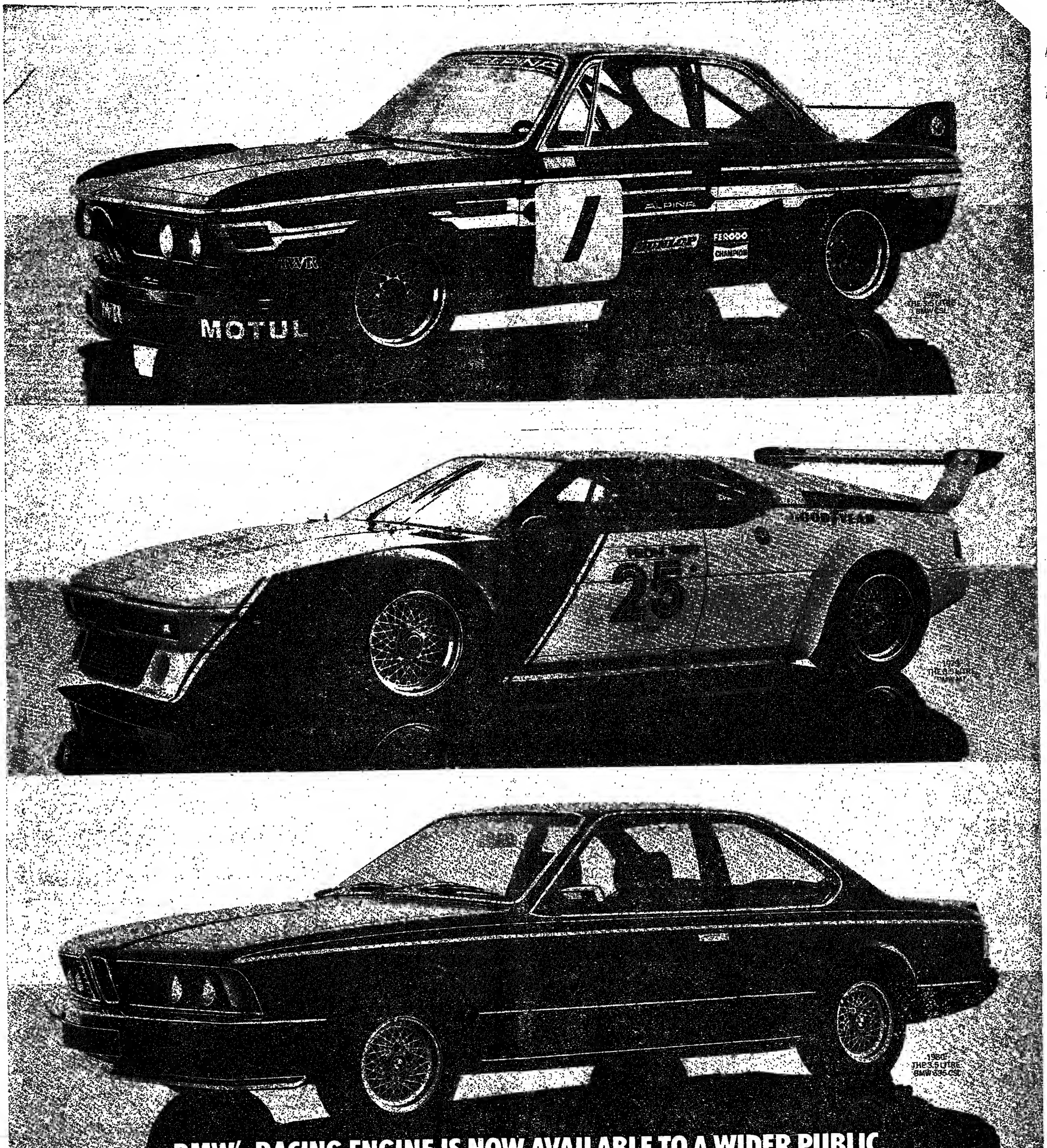
Until this week, the practice of the options clearing house has been to cancel such pairs of options from its list because the liability of the writer to deliver has been removed.

However, in the view of the Inland Revenue, there was no relation between the two offsetting options and so the cost of one was not allowed to be set against the gain on the other for capital gains tax purposes.

As of last Wednesday and with the agreement of the Inland Revenue, the clearing house will maintain such pairs of options on its list until they expire. Thus, they will be deemed to have been abandoned and so the cost of one can be set against the gain on the other under the new provisions in the April Finance Act.

The Stock Exchange is confident that the volume of traded options will rise quickly in the next few months, perhaps to 5,000 contracts a day within a year, according to one broker. The Exchange also plans to add five companies to the current list of 15 on whose shares options are traded. And next spring it hopes to introduce "put" options.

Ian Rodger



BMW's RACING ENGINE IS NOW AVAILABLE TO A WIDER PUBLIC. BUT NOT MUCH WIDER.

The engine in question has quite a pedigree.

In the CSL coupé it helped BMW win the European Touring Car Championship four years in a row.

It was a performance, however, only really appreciated by racing drivers like Niki Lauda, Jacky Ickx and Hans Stuck, who discovered how, with this engine, they could beat even 5 and 7 litre rivals.

Then, for the M1 racing car, the engine was developed still further. So, ultimately, it could produce 800 bhp from its six cylinders.

It first raced last year in the Pro-Car Championships. But, again, this was a pleasure restricted to racing drivers like Clay Regazzoni, Nelson Piquet, Jacques Laffite and Alan Jones.

It seemed, however, that it was selfish to restrict such an engine just to the race track.

So a 140 mph road version of the engine was developed for the 635 CSi coupé.

And its high speed performance is now accompanied by a remarkable low speed docility. If asked to, the vehicle will trickle along without protest at 1500 rpm in any gear, and then pull away cleanly and strongly as soon as you open the throttle.

But its racing origins clearly show when the car then is flicked, flat-out in second or third, through S-bends so close and difficult that they demand the very best of car and driver.

The 6 Series Check Control System ensures that the car is able to give exactly that: just press the test button before you drive off and seven key functions of the car are electronically checked.

As for the driver, this BMW's biomechanical design makes the most of his skills.

The driving position, for example, can be optimised by adjusting the seat for height, tilt, reach and rake.

And the controls and instruments are carefully sited to minimise the time gap between reaction and action.

All in all, rather than being a coupé version of a saloon car, the 635 is very much a car bred directly out of BMW's race track experience. (Witness the fact that a 635 has already won the first rounds of the 1980 European Touring Car Championship at Monza and Vallelunga.)

Alas, it's an experience no more than 595 people in Britain will be able to enjoy in 1980.

Our apologies: but we can't make our 635 CSi any faster.

THE ULTIMATE DRIVING MACHINE

THE BMW 6 SERIES COUPÉS START FROM £18,950. PRICE, CORRECT AT TIME OF GOING TO PRESS, INCLUDES CAR TAX PLUS VAT BUT NOT DELIVERY OR NUMBER PLATES. FOR DETAILS OF YOUR NEAREST BMW DEALER AND A COPY OF OUR 6 SERIES BROCHURE PLEASE WRITE TO MARKETING DEPARTMENT, BMW (GB) LTD., ELLESFIELD AVENUE, BRACKNELL, BERKSHIRE RG12 4TA. FOR TAX FREE SALES, 56 PARK LANE, LONDON, W1. CALL 01-629 9277.

PROPERTY

New dimensions

BY JUNE FIELD

AS TODAY'S property market becomes more and more competitive, developers and agents are tooking to more sophisticated forms of marketing. Mr. Mr. Richard Field, marketing director of Savills, tbe big south-eastern firm of estate agents, says: "Maximum exposure to the spread of homes available around the country is vital."

Savills has published what it calls "a new dimension to property marketing," a glossy magazine-style *Property Supplement* full of photographs of the cream of British bricks and mortar from Devon to Nortb Yorkshire, up to Fife and across to Argyllshire.

The lavish production cost in excess of £12,500, without the actual promotional expenses, two-thirds funded by the owners of the various houses wbo paid £389 for a colour page, and £60 a quarter for mono. The balance is paid for by Savills, who will be sending it out to anyone who requests property details.

Out of the 10,000 copies printed, 1,564 have been mailed to solicitors, accountants and merchant bankers with whom tbe firm are already in touch. For a free copy contact Mr. Field, Savills, 5 Mount Street, Berkeley Square, Loodon W.1, telephone 01-499 8644 or telex 263796.

You can take your pick from picture-book thatcbed cottages (£55,000 upwards), and more modest but spacious four-bedroom, three-bathroom Victorian houses; one in 3½ acres in Rotherfield, East Sussex, has a croquet lawn, two paddocks and a stable/garage with planning consent for conversion to a three-bedroom cottage, on offer in excess of £65,000.

Or there is a 17th century folly in Farnham Green on the Essex/Herts border, and a splendid example of Strawberry Hill Gothic architecture in Gloucestersbire. There is a traditional 1930s brick and tile house in the Thames Valley, with 100 ft direct river frontage, and a kidney-sbaped pool plus a sauna goes with a £500,000 home adjoining the golf course on Surrey's exclusive Wentworth estate.

For elegant living in Chelsea, Belgravia, Battersea Park and Duchess of Bedford Walk, apartments for sale are from £42,500 to £142,000; or there is Trocks Mill Cottage in the middle of Barnes Common, SW13, on offer in excess of £150,000.

Sponsorship has long been a popular marketing method for ensuring that the name of a firm gets maximum exposure; estate agents are becoming increasingly involved in this kind of operation, one firm reckoning it cost them around £30,000 or ao a year. "It builds up a great deal of good will among our country clients particularly."

Strutt and Parker's branches sponsor point-to-points (13 in the North Yorkshire area around Harrogate), hunter championships, cross-country team events, clay pigeon sboots, Young Farmers' Clubs' agricultural valuation competitions and ao on, wbich they say costs them about £1,500 to £2,000 a time. The firm also supports Glyndebourne Opera and various other theatrical productions.

Hampton and Son's Wimbledon office sponsors the Wimbledon Girl Singers and Knight Frank and Rutley's biggest sponsorship is the International Driving Grand Prix at the Royal Windsor Horse Show, wbere Prince Philip came second this year.

Savills has just gone into book sponsorsbip, too, backing Burke's 10-volume series on country houses, a logical diversification. *Burke's Guide to Country Houses: Volume I, Ireland*, by Mark Bence Jones, was publisbed two years ago and recently reprinted at £20. Volume II, hy Peter Reid, covering Herefordshire, Shropshire, Warwickshire and Worcestersbire, will he published in November as *Burke's and Savills' Guide to Country Houses*.

When the series is complete, it will build up into a dictionary of 15,000 houses with details of who lived in them. The new publication will cost £19.50, or £95 for a hand-stitched, leather-bound limited edition of 350 copies; there will he a leaflet available with details next month from Miss Felicity Mortimers, Burke's Peerage, 56, Walton Street, London, SW3.

To get your property promoted on video film in the Winchester area will cost you about £30. Pearsons bas set up a country house video service covering all their 23 offices in London and southern England.

The three- to four-minute films are professionally taken in colour by Hallifax Video Services of Southampton, and sbow the general location, the grounds, plus internal shots of the principal rooms, and there is also a commentary on the salient points of the house.

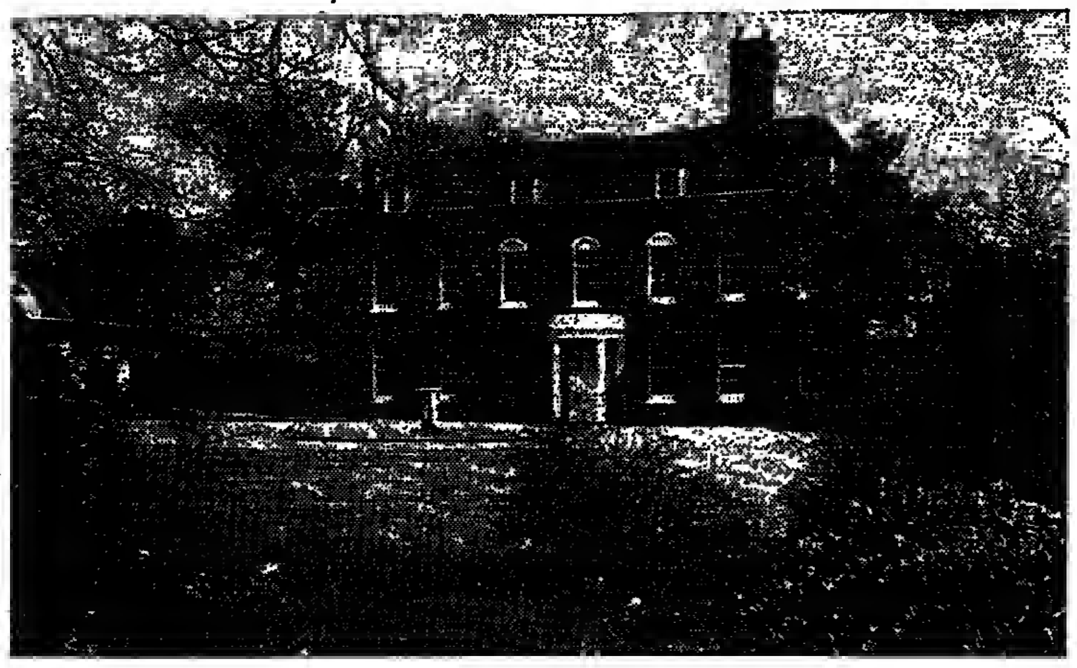
"The idea is that this service will he of great benefit to house-purchasers who, just hy calling into the office, will be able to get a good clear initial look at a person's bome, without all the effort and expense of making a special journey." Mr. Richard Williscroft, resident partner in charge of the new country bouse department, says.

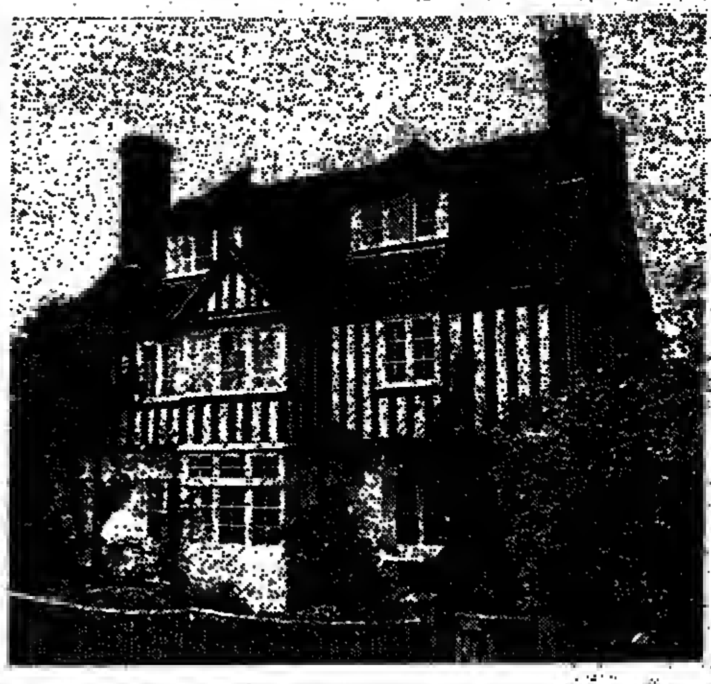
As well as viewing from the office, cassettes can be sent by special arrangement to applicants living in other parts of the country or abroad.

Mr. Williscroft says that within a few years Pearsons hopes that all its offices will have centrally controlled video screens, wherehy, at the touch of a button, details of all properties on the firm's registers can be displayed in any office.

For particulars of country houses on film, and how to get your own home video-promoted, contact Mr. Williscroft, Pearsons, Walcote Chambers, High Street, Wincbester, Hants. (0962 64444). Current offerings include John Arlott's 5-bedroom, 2-bathroom home in Hampshire, originally a 17th century drover's inn, for sale around £120,000 inclnding a library annexe and a barn.

There are also various large thatched cottages, one in two acres near Andover was originally a monastery (about £140,000), another in a village near Micheldever is £110,000. A recently built bouse with 4 bedrooms and 2 bathrooms in an acre at Stockbridge, near two trout streams, is £85,000.





Above left. Olivers, Colchester, Essex, in 20 acres, is back on the market. The classic Georgian house with 5 bedrooms, 3 bathrooms and 5-car garage block with planning permission for a staff flat, is featured in Savills Property Supplement at £225,000. Details Geoffrey van Cutsem, Savills, 5 Mount Street, London, W1, and R. Dennis, Fenn Wright, 146 High Street, Colchester.

Above right. Naidens, Shotesham All Saints, Norfolk, 6½ miles from Norwich, is a 5-bedroom, 2-bathroom, 16th century thatched cottage with garden stores and a workshop in an acre. Jeremy Carlson, Savills, 8 and 10 Upper King Street, Norwich (0603 612211) is inviting offers in the region of £80,000.

Left. The 5-bedroom Test Cottage, in ¾ acre in the Test Valley, Hants, can be seen on video film by arrangement with Richard Williscroft, Pearsons, Walcote Chambers, High Street, Winchester. For sale at about £120,000.

TRAVEL

The best of the good old days

BY SYLVIE NICKELS

A FEW WEEKS ago, I was driving through one of those apparently endless Canadian forests when a roadside sign announced the imminence of the Central New Brunswick Woodmen's Museum.

It is about 40 miles north-east of Fredericton and is among the more recent of Canada's numerous centres for perpetuating her past. The Canadians do this sort of thing very well and certainly I came away from it a good deal wiser about the tough early lumbering history of central New Brunswick.

Some countries and regions don't need such museums. The way of life in much of Asia, for example, and some pockets of southern and eastern Europe, is often simply a continuation of what has been going on, with minor changes for centuries.

For most of us who have the questionable privilege of having our lives cushioned by advanced technology, however, too many skills have been replaced by pushing buttons and switches.

And if a lot of us are not too unhappy about this, others are showing a growing inclination to know how things worked a few generations back and, in many cases, put the knowledge into practice.

The success of CoSIRA (Council for Small Industries in Rural Areas) is just one indication. Its hefty booklet *Craft Workshops in the English Countryside* (£1.65 inc. postage) lists many hundreds of small establishments that welcome visitors and produce anything from candles or corn dollies to stonework or slateware.

Wales is also very hot on its handicrafts and the Wales Tourist Board's *Crafts in Wales* (65p inc. postage) lists over 200 workshops in settings ranging from small cottages to woollen mills and slate quarries.

Open air museums, often incorporating craft workshops, have been a growing tourist attraction for quite a few years. The Swedes were probably the first fully to develop the idea on an island park in Stockholm.

It is known as Skansen and the name has been borrowed by quite a few other nations to denote just that kind of museum—a collection of beautiful old buildings from many parts of the country, into which life has been injected by the presence of skilled human beings reviving or perpetuating ancient crafts.

As far as I know, there is no precise equivalent in the UK, but there are many excellent and imaginatively conceived centres depicting most aspects of rural life, past and present. Not all are open throughout the year, so times should be checked.

Some are included in the English Tourist Board's free booklet *A Day Out of London*, distributed overseas by the British Tourist Authority. Among them is the Weald and Downland Open Air Museum at Singleton, 6 miles north of Chichester, West Sussex, which has rescued a fine collection of cottages, farms and workshops from the 14th-19th centuries and re-erected them in a lovely parkland setting; and the Courage Shire Horse Centre, 3 miles west of Maidenhead, Berkshire, where the horses are the main attraction amongst a collection of domestic animals and birds.

More complete lists can be had from the regional tourist boards. One I have yet to visit almost on my doorstep is the attractive-sounding Manor Farm Museum at Cogges, near Witney, Oxon. More than just a museum of farming, it offers regular demonstrations of traditional farm crafts and skills, as well as of domestic activities such as baking and butter-making in an authentically venerable setting.

Not so far away at tiny Guiting Power, near Cheltenham, Gloucestershire, the Cotswold Farm Park watches over the interests of rare breeds of farm animal and has Britain's most comprehensive collection of rare breeds on display to the public.

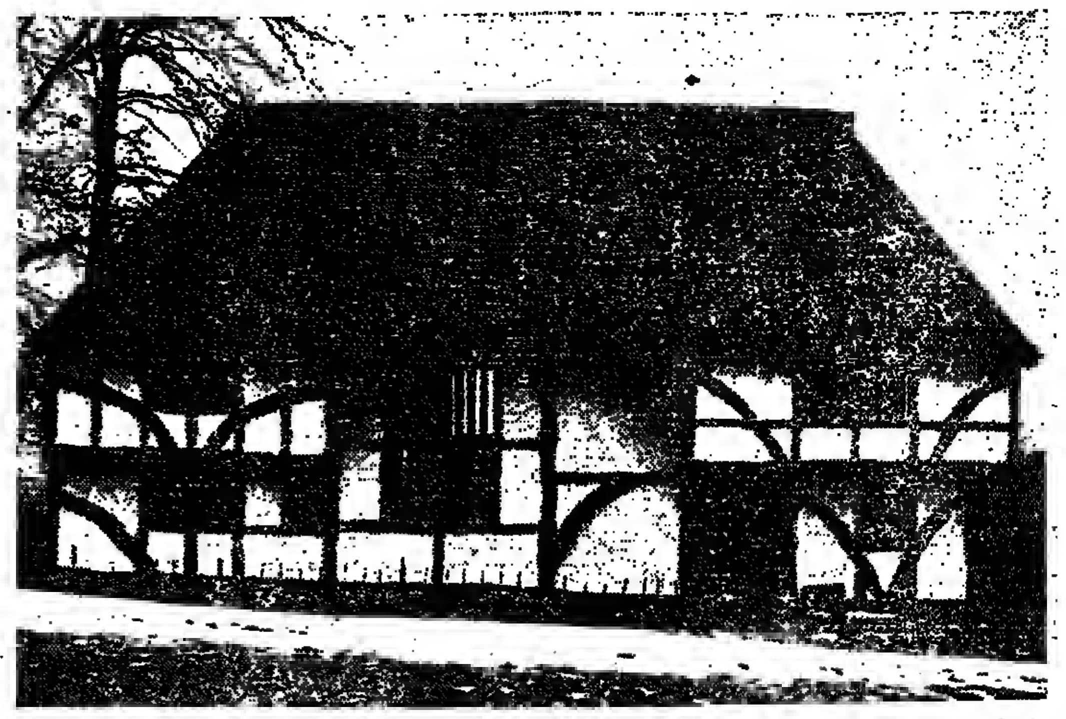
Rural life is the theme of the Museum of East Anglia at Stowmarket, Suffolk, of the North Holderness Museum of Village Life at Hornsea, Humberside, and of the award-winning Museum of Lakeland Life and Industry in Kendal, Cumbria, among many others.

Many provide regular craft demonstrations, some incorporate a brass rubbing centre (such as the Countryside Collection at Martham, near Great Yarmouth) or have strictly home-baked goodies on offer.

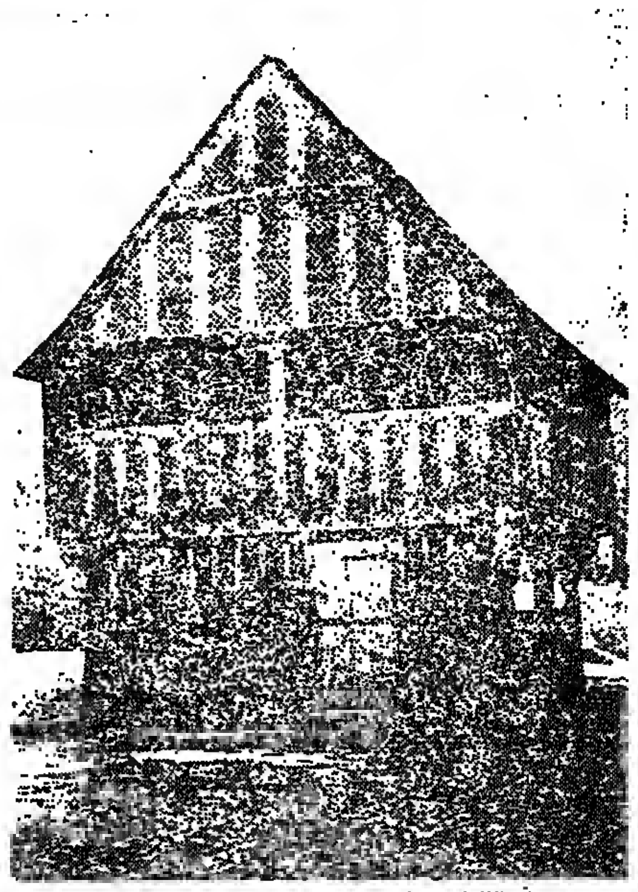
But there is much more than nostalgia to be found in the countryside. Feeding the nation is an important business and the obvious place to repair one's ignorance about it is on a working farm of the 1980s. The Countryside Commission has a descriptive leaflet of 16 *Farm Trails* which it sponsors throughout England and Wales with the help and co-operation of the farmers themselves. Explanatory leaflets are available.

The commission also produces a list of farms with Open Days during the summer. I hear from the English Tourist Board, that one of the most recent to be opened to the public is Britain's largest honey farm, Quince Honey Farm, South Moulton, Devon. The summer population is calculated at 90m bees, the story of whose activities can be followed by means of a well-devised walk to the apiaries.

Further information: CoSIRA, 141 Castle Street, Salisbury, Wiltshire; English Tourist Board, 4 Grosvenor Gardens, London SW1W 0DU; Wales Tourist Board, P.O. Box 1, Cardiff CF1 2XN; Countryside Commission, John Dower House, Crescent Place, Cheltenham, Glos., GL50 3RA.



A 15th century timber-framed house moved from Edenbridge, Kent, as part of the Weald and Downland Open-Air Museum at Singleton, West Sussex.



Pictures by Dick Whittington

The 17th century Tichfield Market Hall, now moved to the Weald and Downland Open-Air Museum.

TRAVEL

HOTELS

COMPANY NOTICES

ALEXANDER FUND
Société Anonyme
Luxembourg, 37, rue Notre-Dame
R.C. Luxembourg Nº B 7635

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of the shareholders of Alexander Fund, a société anonyme organized under the laws of the Grand-Duchy of Luxembourg (the "Fund"), will be held at the offices of Kredietbank S.A. Luxembourgeoise, 43, boulevard Royal, Luxembourg, at 11.00 a.m., on October 7th, 1980 specifically, but without limitation, for the following purposes:

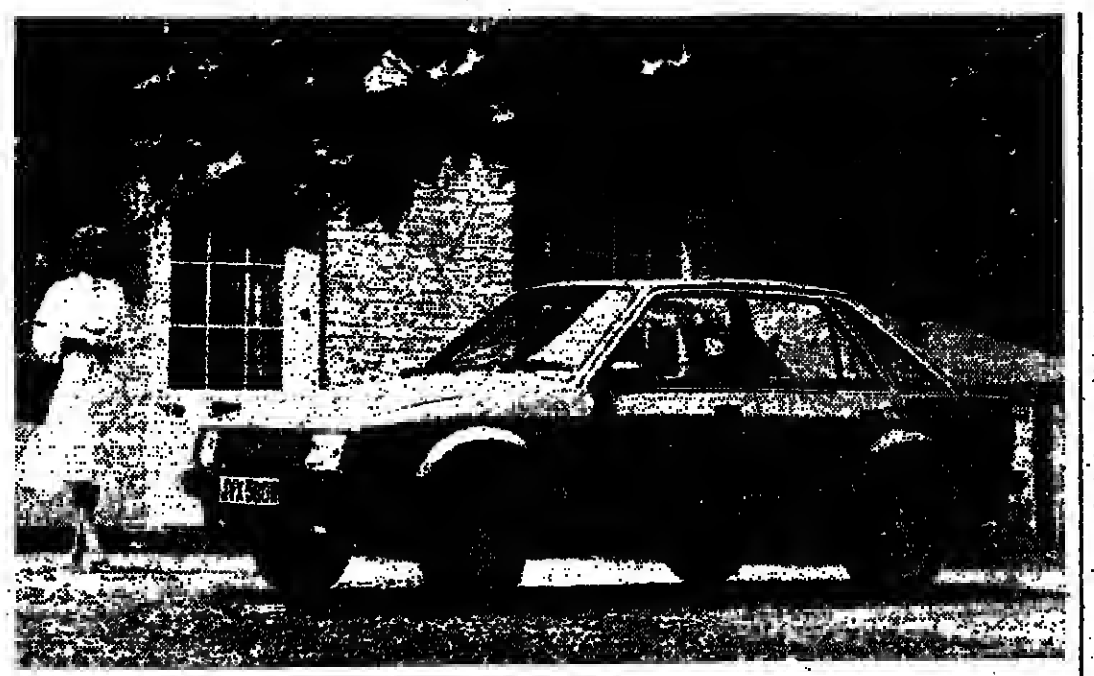
1. To hear the reports of the Board of Directors and of the Statutory Auditor.
2. To approve the balance sheet and the profit and loss statement and allocation of results as at June 30th, 1980.
3. To discharge the Directors and the Statutory Auditor in respect of the fiscal year ended June 30th, 1980.
4. To elect Directors and a Statutory Auditor.
5. Miscellaneous business.

The conduct of the shareholders' meeting shall be governed by the quorums required by law. Resolutions at the shareholders' meeting shall be passed by a simple majority of those present and voting, except as otherwise required by law. Subject to the limitations imposed by law and the Articles of Incorporation of the Fund, each share is entitled to one vote. A shareholder may act at any meeting by proxy.

The Board of Directors.

CLUBS

PERSONAL



The new, front-wheel drive Ford Escort GL. A stylish and refined package with an excellent performance.

A sporting challenge

BY STUART MARSHALL

FORD'S NEW Escort, which I finally got my hands on last week (and not before time, if I may say so) lives up to most of my expectations, exceeds some and falls short on only one.

Let us get the bad news over first. The ride is not as good as it should be in a completely new front-wheel drive car with all-independent suspension. In the important 30-50 mph speed range, there is some quite sharp vertical movement which the seat springs—even on the dearer, better equipped GL model—aggravate rather than suppress. One notices it only on secondary roads. On the motorway, the Escort is fine; and on really bad tracks the suspension is as resilient and shock absorbent as anyone could reasonably want.

This minor problem apart, it is difficult to find fault with the Escort. And in any case, I suspect the joggle is something one learns to live with. The new overhead camshaft engine with hydraulic valve lifters that never need adjustment is as smooth at close to 80 mph in third as it is when pulling hard in top at well under 30 mph.

The Escort is so quiet. If you insist on taking the engine up to very high speeds in the gears, it will boom, though not disagreeably loudly. But a sensible driver will hardly be aware of engine noise at all and the transmission—gearbox and final drive—is virtually silent. That is far from the case with some other front-drive, cross-engined cars. The gearshift is positive, the synchromesh unobstructive. The clutch is light and the brakes progressively powerful.

Handling and roadholding are of a standard that will please the owner who regards a cross-country journey as a sporting challenge rather than a convenient means of going from A to B. The Escort rolls very little on fast corners. A few fast laps of a roundabout when no one was looking revealed that the rear end eventually drifted out, but so gently that easing the throttle was correction enough.

Everything I have written so far applies to the five-door 1.6 GL (£4,518) though the 1.3 L I tried next felt little different. The main thing one noticed was that the smaller engine did not pull quite so hard at low revolutions and the maximum speeds in the gears were marginally down. But it cruised no less satisfactorily on the motorway. The seats looked less luxurious but were equally comfortable. The centre console was missing and the mileometer lacked a trip setting, which seems a cheese-paring kind of economy to make on a car costing over £4,000.

Continuing my descent down the range, I drove an 1100 L 3-door and, finally, a plain and simple Escort 1100, the model aimed in the main at the big fleet buyer. The ride was no different in the cheaper cars but the lower the price, the more acceptable the ride seemed. What one criticises in a £4,500 plus car seems less objectionable in a model that is between £700 and £1,000 cheaper.

Once again, the road holding, handling and silky steering impressed. There was a little more mechanical noise, because the 1100 engine is basically the same as the Ford Fiesta's and Ford's financial experts must have told the production men to cut down on the sound damping a little to save money. Even so, the cheapest £3,374 Escort struck me as a highly competent, value-for-money package.

These are really only some first and fleeting impressions of the new Escort. I cannot say how the fuel consumptions of the various models compare with each other or with the competition, nor how the new cars feel on a long journey.

All my driving was compressed into half a day in the Home Counties last week! I covered a little over 100 miles in four cars. It was all very different when the first Escort was launched in 1968. Then, having driven from Rabat the previous day, we rose before dawn in Marrakesh, scraped the ice off the windscreens and covered more than 350 miles of highways, dirt tracks and snowy mountain passes before a late lunch.

You really get to know a car on a drive like that. Still, I shall be returning to the new Escort next month and shall be driving it for a realistic number of miles. But, even on a brief first acquaintance, I am certain of one thing; the Escort cannot fail to be Car of the Year 1981.

Bob Hope, pros, birdies and eagles

BY BEN WRIGHT

WHATEVER THE golfing purists might say, the Bob Hope British Classic is proving a resounding success with spectators flocking in their thousands to the peaceful pastures of the Royal Automobile Club at Epsom. It has to be admitted that the main attraction this week is the presence of internationally-known stars from the worlds of show business and sport and not just the skills of the professional golfers.

Bob Hope, himself, is playing a starring role and his enthusiasm for the game and his influence in attracting a top-class field of sportsmen and entertainers will result in a considerable sum being raised for two charities close to his heart, namely the Stars Organisation for Spastics—which runs homes caring for people suffering from cerebral palsy—and a foundation which will create a "Theatre of Learning in Hope's much publicised home town of Eltham.

The new style 72-hole pro-am tournament has taken some three years to bring to fruition and has cost an estimated £500,000 to stage. Financial success was guaranteed even before the first ball was struck this week and if the perfect autumnal weather holds good for the weekend there should be record crowds. The whole accent of the tournament is geared towards enjoyment and even though there is a massive £100,000 prize fund on offer for the professionals there have been no complaints about being distracted by the antics of their amateur partners. Rather the opposite. Most of the professionals, whose views I sought, were having a thoroughly good time and the fact that it was taking more than five hours to get round seems not to matter.

Indeed, many of Europe's top professionals said the fact that they were playing alongside amateurs helped to remove the usual pressures of competing for big money prizes. This week's £15,000 top award, not to mention valuable order of merit and Ryder Cup points, have hardly entered the dressing-room conversations.

In effect, there are two competitions running at Epsom, one for the amateurs contesting for some handsome Waterford glass and the other for the professionals, who get the big cash prizes. The amateurs partner a different professional each day which adds to the glitter of the occasion.

Although the crowds have been huge for the past two days there have been remarkably few casualties from wayward amateur shots. Telly "Kojak" Savalas felled an 11-year-old boy by hitting him on the thigh with his opening tee-shot of the day and the youngster was carted off to the medical centre by ambulance. Within 10 minutes he was back on the course and watching his TV hero, who was full of apologies. The boy soon became a star for the day and loved every minute of it.

The lovely RAC course is a marvellous setting for a star-studded event and is certainly not too demanding, as the scoring of the professionals amply demonstrates. The course has been tailored somewhat to make the tournament pleasurable for the amateurs with little rough and no long carries from the tee.

As might be expected, the professionals are cashing in with plenty of birdies and eagles and Lee Trevino forecast after Thursday's first round that a 72-hole total of 20 under par or better would be required to win Bob Hope's first golfing venture in Britain. Trevino is more than half way towards that target, adding a 5 under par 67 yesterday to his first round of 66 to share the lead on 11 under par with the exceptionally talented Bernhard Langer, of West Germany, Gordon Brand, a quietly spoken dour Yorkshireman, and the remarkable Brian Waites, Britain's most famous club professional. Waites brought in a 65 yesterday afternoon achieved with the help of seven consecutive birdies in his last seven holes for an astonishing inward half of 29 to equal the European tour record set by Jose-Maria Canizares.

Langer is only 23 but is a most powerful hitter of the ball and says he feels ready to win his first tournament. He doubts whether a victory would have any effect on the sporting public of West Germany and is waging a low profile campaign to get a little golfing publicity in his country's sporting press. He is the son of a bricklayer and took up the game when he was nine, captivated from the moment he first stepped on to his local course to earn some money as a caddy. He proved a quick learner and turned in an accomplished performance for a 67 yesterday which included five birdies and a rare eagle three at the uphill 481-yard tenth where he hit a scorching drive and a raking 2 iron into the middle of the green.

Although Brand managed to hit only a few fairways in his second round of 66 he knew he could expect no penalty for taking a wayward route along the scenic 6,535-yard course and his ironplay and pitching and putting were so confident he collected six birdies and 12 pars. He does not remember the RAC course with particular affection, having scored 78, 79 when the Martini tournament was played there two years ago.

He says he has been particularly helped by the pro-am atmosphere of this week's tournament. "I used to make most of my money playing pro-am golf and I always find it a lot of fun," said the 25-year-old former England amateur international. "Looking after your amateur partner takes all the pressure from the round and I think I might do well this week."

Only one stroke behind the early first round leaders is Severiano Ballesteros, the United States Masters champion, who greatly enjoyed his opening round in partnership with Bob Hope, even though his 77-year-old host was unable to contribute to their team score. The dashing Ballesteros was given an early starting time yesterday before most of the big crowds had arrived and when they eventually turned up to see him in action he produced a strong finish of three birdies in the last four holes on his way to a 68 and is well poised in today's third round. Victory this weekend would almost certainly take him to the top of the 1980 European moneywinners' list and that is the only target at present on his mind.

Some British apples fit for epicures

GARDENING

ARTHUR HELLYER

PERHAPS THE best thing that could happen for the embattled apple growers of Britain would be for a lot more people to plant apples in their own gardens.

The total quantity of fruit they might produce would be unlikely to make any serious impact on the commercial market but it would spread the message that there are better apples than Golden Delicious and Granny Smith and that the very highest quality fruit can be produced here where conditions can be ideal for steady ripening and the maximum development of flavour and juicyness.

In all the public arguments about the rival merits of this or that apple produced in this or that country hardly anyone ever points out that taste is a very personal thing. That applies to everything, to wines as much as to apples. One likes it sweet, another prefers it sharp or dry.

There are plenty of people who prefer an apple that is crisp and crunchy but no doubt there are just as many who like it to melt easily in the mouth. Cox's Orange Pippin remains my ideal of what an eating apple should bite like and taste like but I do not expect everyone else to agree with me.

Incidentally, with the solitary exception of a large old tree rather strategically placed in the garden, I have ceased trying to grow Cox for myself because, on my rather cold, poorly drained, phosphorous deficient soil, it needs far more attention than I can give it to keep it clear of scab and canker.

I do not begrudge the price I have to pay for well grown English Cox's Orange Pippins when I bear in mind the number of spray applications, maybe 16 in a season, that they have had to be given to keep them clear of these and other diseases.

In spite of these hazards, I firmly believe that English grown Cox, eaten at the right season, November and December, are the best flavoured of any in the world.

However, there are many good apples that can be grown with far less effort than Cox, many of them excellent to eat and available at different seasons without need for specialist methods of storing. These past few weeks we have been eating and enjoying Epicure, a much under-estimated apple which begins to be edible in late August and reaches its peak in September. After that it deteriorates rapidly and by late October is useless. It is fairly crisp, juicy and pleasantly flavoured without being too sugary.

Its flowers seldom get damaged by frost, it needs little spraying and it is suitable for planting in the north.

For the other end of the season, to be used from Christmas until May, there is Ashmead's Kernel, a very old apple raised by Dr. Ashmead early in the 18th century in his garden in Gloucester. An old description of it says that it is very hardy, an excellent bearer with fruit of the very first quality, flesh yellowish, firm, crisp, sugary, rich and highly aromatic.

That is as true today as it was then and it could well be available in your local garden centre this autumn for it is one of the old varieties that have been rediscovered by the big commercial fruit tree producers and is probably now being distributed in greater numbers than at any time in its 250 years of existence.

Another old apple that is making a comeback for the home garden market is Orleans Reinette, a rather crisp, juicy, well flavoured apple at its best at about the same time as Cox's Orange Pippin, and much easier to grow.

However it is not just among the oldies that good things are to be found. Discovery is a relatively new apple which is now being planted on a large scale in commercial orchards for the early August-September market, immediately ahead of Worcester Pearmain, itself a much better apple than is generally realised provided it is not picked and eaten too soon.

Discovery is highly coloured, crisp, juicy and of good flavour. It crops well in northern as in southern gardens and requires little spraying to keep it clean. I am told that Covent Garden salesmen are now asking for it in preference to Tydeman's Early which at one time dominated this early end of the market.

Dr. C. Darlington, at one time director of the John Innes Horticultural Institution, was complaining recently that many of the fine apples raised there had never been distributed. Well one of them is certainly now getting around in the garden centres.

It is an early apple named Merton Knave, too small a fruit to be of much use to commercial growers but attractive in appearance, hardy enough for many Scottish gardens, a good cropper and very pleasant eating.

Other John Innes varieties can be found if one searches around a bit including Merton Beauty, another early crimson apple that is highly recommended by those who have grown it; and Merton Charm, with rather small, well flavoured, yellow skinned fruits.

Merton Russet is a very late keeping apply produced by crossing Cox with Sturmer Pippin, an old apple once described as "not fit for use till the Ribston Pippin is nearly gone," which in practice means not before March.

The russet skinned apple I grow is Egremont Russet, a fine variety which has been about a very long time but is still freely available. It is another of the relatively trouble-free varieties which nearly always crop well.

Those who prefer to eat their apples unpeeled may not like its harsh skin and some may find its flesh too firm but it is juicy and well flavoured. It is also a nice apple to plant partly for ornament as a contrast to the red and yellow skinned varieties.

To follow Epicure I grow Red Ellison, and to follow that in quick succession Lord Lambourne, two very handsome apples that taste as good as they look. Both have quite a lot of the rich Cox flavour and both are easy to grow, in fact for years the Lord Lambourne trees grew happily and healthily right alongside my Cox's Orange Pippin trees which were riddled with scab, canker and die-back.

When I finally gave up and grubbed out the Cox trees I replanted the little orchard with a mixed collection containing many of the apples I have just described and also some cookers, among them the Rev. W. Wilkes a splendidly free cropping, hardy, trouble-free apple with large, pale yellow fruits that bake to a froth and cannot be surpassed for flavour even by the far less attractive looking and much too vigorous Bramley's Seedling.

Kris for an Ascot encore

RACING

DOMINIC WIGAN

KRIS, UNBEATEN in nine races since going down to Tap on Wood in the 2,000 Guineas, is a confident selection to win today's Queen Elizabeth II Stakes in the style of a champion.

I expect to see Lord Howard de Walden's colt crushing this year's 2,000 Guineas winner, Known Fact, and in the process leaving little doubt that Posse's absence, although regrettable, is probably a blessing in disguise for his connections.

Although Kris, the facile winner of the corresponding prize a year ago, beat little when landing the Crown of Crowns Stakes at Goodwood on September 12, he accomplished his task with a display of overwhelming superiority.

Travelling well within himself from the outset, the handsome Sharpen Up four-year old struck the front two and a half furlongs from home and then proceeded to draw further and further ahead of Millbank and Saint Jonathan with every stride.

The 12 lengths winner there Kris could well be asked to make his relentless gallop tell front the outset in this afternoon's group two event.

Of the remainder, in a seven runner field (the same number as in 1979), I have most regard for the Irish challenger, God's Mark.

As anticipated, the Royal Lodge Stakes has attracted a small, but select field of high-class middle distance performers in the making and the selection, Gielgud, will have to be everything that is thought of him if he is to supplement his Laurent Perrier Champagne Stakes victory.

Further north Nariz will never get a better opportunity of success in handicap company than in the Bass Rosebowl in which he is set to carry only seven stone 13 pounds.

ASCOT

2.00—John O'Groats
2.35—Kris**
3.05—Banco
3.40—Gielgud
4.10—Diamond Horseshoe*
4.40—Shark Song
5.10—Tudor Wyddial

REDCAR

1.45—Ramannolie
2.15—Age of Reason
2.45—Nariz***

CHESS

LEONARD BARDEN

A SIGN that Britain's recent successes stem not just from a handful of grandmasters and talented juniors but from an all-round advance in strength is our good result in the world postal olympiad now in its final stages. Three years ago the British team won the bronze medal in the seventh olympiad behind the USSR and Bulgaria but ahead of most of the other leading chess nations. Now the team is again in contention for a medal in the eighth olympiad final.

International cc (correspondence chess) is a very different world from the over-the-board game, principally because of the enormous difference in time span: of an event takes years of concentrated effort rather than the few days of normal tournaments. The British team of six in the current final includes five (Richardson, Hollis, Clarke, Penrose and Markland) who were successful national championship contenders in their top years but now compete mainly by post.

International cc has its peculiar hazards, discussed by Ken Messere in a recent article in "Chess." A celebrated cc tale is of the man starting two games with the same opponent who sent off 1 P-K4 as White and offered the conditional as Black of 1...P-KN3 and 2...B-N2 against any of 1 P-Q4, 1 P-K4, 1 N-KB3 or 1 P-QB4. Naturally his opponent chose 1 P-Q4, 2 B-KR6, and 3 BxB when Black had to resign.

Eyebrows were raised when a Russian competitor in the cc world championship boldly gave his address as "Central Chess Club, Moscow." But although consultation with friends can and does occur in cc, its influence in general is less than in otb adjourned games.

Jonathan Penrose, ten times British champion in the 1950s and 1960s, has dropped out of otb chess; but this week's game has the flowing attacking style which was the hallmark of his talent.

White: Dr. J. Penrose (GB). Black: J. Tompa (Hungary). Sicilian Defence (8th cc olympiad final 1979-80).

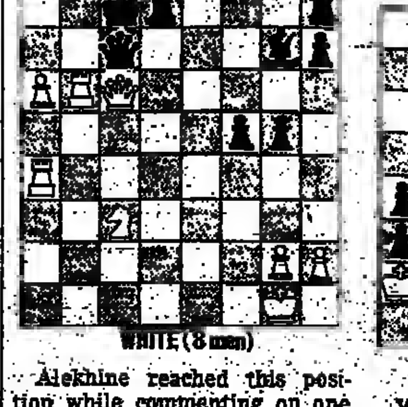
1 P-K4, P-QB4; 2 N-KB3, P-K3; 3 P-Q4, PxP; 4 NxP, PQR3; 5 N-QB3, Q-B2; 6 B-Q3, N-QB3; 7 B-K3, N-B3; 8 O-O, N-K4; 9 B-K2, P-QN4; 10 P-B4, N-B5; 11 BxN, QxB; 12 P-K5, N-Q4; 13 NxN, QxN.

The position reached here forms a little footnote to chess history. After Penrose broke Atkins's record for British title wins in 1969, friends urged him to concentrate more on international play and try for the grandmaster title which had narrowly eluded him. Though preferring team events, he accepted an invitation to Palma de Mallorca 1969 where the elite entry included Korchnoi, Larsen and the then world champion Spassky. His moderate result, equal 14th among 18 masters, affected his confidence and led to a drop in form and loss of the national No. 1 position to Keene and Hartston. Penrose began quite well at Palma with 1½ out of 3; his decline began in the fourth round when he lost with White to Najdorf from this very position due to the decentralising 14 Q-N4? A decade later comes the chance to make amends.

14 Q-K2! B-N2; 15 QR-Q1, Q-K5 (if QxRP; 16 P-B5 with a strong attack); 16 QB2, B-K2; 17 P-B5, B-B5; 18 Q-Q2, Q-Q4; 19 P-B3, P-KR4 (trying to advance to KR6. The plan proves optimistic, but 19... O-O; 20 P-B6 gives a strong attack, while 19... QxKP; 20 N-B3, BxN 21 QxP ch is very good for White); 20 P-QR4, B-K2; 21 PxNP, QxKP; 22 N-B6! PxN; 23 Q-Q7 ch, K-B1; 24 B-Q4, B-B1; 25 QxBP, Q-N1; 26 PxKP, P-B3; 27 B-B5 (threat R-Q8 ch), BxP; 28 BxB ch, K-B2 (if KxB; 29 KR-K1, Q-B1; 30 R-Q6); 29 BxP, PxB; 30 R-Q7 ch! Resigns. If BxR; 31 QxP ch leads to mate.

POSITION No. 339

BLACK (8 men)



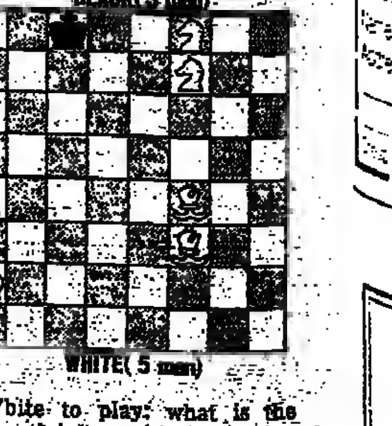
WHITE (8 men)

Alekhine reached this position while commenting on one of his world title games with Bogolyubov. He wrote: "White forces mate by 1 R-N8 ch."

The puzzle is fourfold: (a) What was Alekhine's mate? (b) Does it work? (c) Is there a better move in the diagram? and (d) What can be deduced about Alekine's annotation style?

PROBLEM No. 339

BLACK (3 men)



WHITE (5 men)

White to play: what is the fewest number of moves in which he can force mate? The puzzle (by A. R. Allison) is not too easy despite the simplified setting, and it requires good chess vision to solve it without setting up board and men.

SOLUTIONS PAGE 14

BRIDGE

E. P. C. COTTER

RECENTLY PUBLISHED by Allen and Unwin at £5.50, *The Great Bridge Conspiracy*, written by Terry Quinn, is a fast-moving story of espionage, set amid the drama of top class tournament bridge. The author, a keen competitor in regional and national championships, gives us some good hands.

We start with a minor suit game:

N.
♠ 10 7 4 3
♡ —
♢ J 10 9 4
♣ K J 9 8 2

W.
♠ A K J 9 8 5
♡ 10 9 5 4
♢ K 5
♣ 6

E.
♠ 6 2
♡ Q 7 6 3 2
♢ 3 2
♣ Q 5 4 3

S.
♠ Q
♡ A K J 8
♢ A Q 8 7 6
♣ A 10 7

At game all South dealt and bid one diamond, West doubled, North raised to three diamonds, and South jumped to five diamonds, which became the final contract.

The spade King took the first trick, and the Ace was ruffed in hand. Ruffing the heart eight on the table, the declarer ran the diamond nine, which lost to the King. A diamond return from West was won with dummy's 10, and without more ado South went to work on the club suit. He tried "the old sucker routine" of leading the Knave, and when East played low, won in hand with the Ace, and returned the 10. West failed to follow suit, and that was one down.

In room two the same contract was reached, and the first five tricks were virtually the same, except that South won the diamond return at trick five in his own hand. Instead of immediately tackling clubs, he cashed the Ace and King of Hearts, on which he threw a spade and a club from dummy. Then he ruffed his heart Knave with dummy's last trump, and led the 10 of spades.

East discarded a club, and the problem of the club suit was solved. West was known to have started with six spades, he had followed four times to hearts and twice to diamonds. He had, therefore, only one club. Ruffing the spade, South led the club seven, won with dummy's King, and took the marked finesse of the 10.

The next hand is a gem:

N.
♠ A K Q 2
♡ 9 3
♢ 10 7 3 2
♣ 8 7 6

W.
♠ J 9 8 6 5 4
♡ 8 7
♢ Q
♣ J 10 9 3

E.
♠ 10 7 3
♡ 10 5 4 2
♢ J 9 8 5
♣ Q 4

S.
♠ —
♡ A K Q J 6
♢ A K 6 4
♣ A K 5 2

In one room North-South somehow contrived to stop in four hearts, and an ill-judged spade lead by West gave declarer his contract with two overtricks.

In the other room after two clubs from South and two spades from North, the final contract was six diamonds with South at the wheel, and the outcome of the match depended upon this hand. If the diamond slam succeeded, our hero's team would be victorious.

Taking the club Knave with the Ace, South cashed the trump Ace, bringing down West's Queen. Then he cashed the club King, stripping East of the suit, and ran his hearts. When East turned up with four hearts, South ruffed the fourth heart on the table, and cashed the three spade honours, on which he threw two clubs and his fifth heart.

At this stage dummy had the spade two and the 10, seven of diamonds, East had Knave, nine, eight of diamonds, and South had King, six, four. The spade was led, East ruffed with the eight, and South underruffed with the four. East was now endplayed and forced to lead from his diamond Knave into the declarer's split tenace.

Fine card reading and superb technique had won the match by one IMP.

HOW TO SPEND IT

by Lucia van der Post

Small is beautiful

If you've ever needed the smallest, lightest, most portable gadget you could find, here are some of the best of their kind....

SIZE ISN'T always a guide to desirability but every now and again in most of our lives size is of almost crucial importance. If, for instance, you travel a great deal, then it will really make some difference to your travelling life if you can gather together some gadgets that you can always manage to find room for, even if travelling with just an overnight bag. A radio by the bed, a small pair of binoculars, an alarm clock, the miniest of cameras—all these things can be very useful and/or a lot of fun but only if they aren't so bulky that carrying them is a chore.

So this week we thought we'd take a look at what science has done to bring us, in the tiniest of packages, some of the most advanced technology of the age. We're not suggesting that all of these gadgets are needed by everybody but one or two of them may be just the product that could transform somebody's travelling days. Certainly, we in this office found we wanted most of them—only the collective price has held us back. The ruler running through the middle of the photograph gives a very good indication of just how small they all are.

In the top left-hand corner was perhaps the gadget we all most wanted—a tiny portable television set (just the thing for carrying round at Wimbledon time). It is known as the 2-inch pocketable black and white Sinclair Microvision micro television by Binatone (and, you'll be pleased to note, made in Britain). The screen is very tiny—just two inches square and the whole unit measures 6¾ inches long by 3½ inches wide by 2 inches deep. It comes in a black case and has headphones. We found the screen a little tiny for comfortable viewing but if you have something compulsive (like, say Wimbledon) that you can't bear to miss you could take it almost anywhere with you. We got the impression it rather gobbled up batteries so if you're going on holiday somewhere remote, take plenty with you. Find it at Selfridges and Rumbelows for about £69.95.

Timing the world

Below the TV set is the World Timer quartz alarm clock by Lorus, a division of Seiko. The outside dial moves round and by simply placing the name of the city you're in (i.e., London or Hong Kong) you can check against the dial what time it is in most of the other major cities of the world. Very useful for businessmen who need to call offices overseas. Seemed to be nicely made with a dark plastic case, and measures only 2½ inches long by 3 inches across. £13.15 from most leading department stores.

On the right, above the ruler, is what has seemed to be this summer's most sought-after gadget—the Sony Stowaway TPS-L2 stereo cassette player. An amazingly efficient machine it operates from batteries, ordinary house current, rechargeable batteries or a 12V car battery. It measures 3½ in across by 5¼ in long and the headphones enable the ardent music lover to listen to his favourite cassettes anywhere he feels like without disturbing anybody else and because it is so light it can be taken almost anywhere. About £111.70 from most good electrical departments.

Music on the move

Just as I was writing this Selfridges sent me news of a very similar gadget which they will be selling exclusively from the month of October—by Binatone, it is a light, portable hi-fi stereo cassette player called the HipFi and it sells for only £59.95.

Left, below the ruler, is the tiniest, lightest electronic calculator we could find. Made by Casio it measures 3½ in long by 2¼ in wide and comes in a slim wallet. Some male fingers may find it too tiny for easy manipulation so try it out first. £14.95 from places like Currys, Dixons and Ryman.

In the centre are three small gadets—top, is the Minox LX sub miniature 8 x 11 mm camera. It is the smallest camera we could find anywhere, measuring only 4¼ inches long by 1 inch wide by ½ inch deep. It is the kind of toy beloved of rich businessmen, MI5, would-be James Bond types and others who, for whatever private reason, really want the lightest, tiniest of cameras to hand. It can fit into almost any pocket. The main disadvantages are that the negatives are small and don't blow up well, you cannot buy film easily nor have it processed easily but Wallace Heaton of 127 New Bond Street, London W1, which sells it, runs a mail order service which both develops and sells this film (prices—£2.15 for 36 black and white exposures, £2.95 for 15 colours, £3.95 for 36 colour and £6.99 for 36 colour slides including developing and printing).

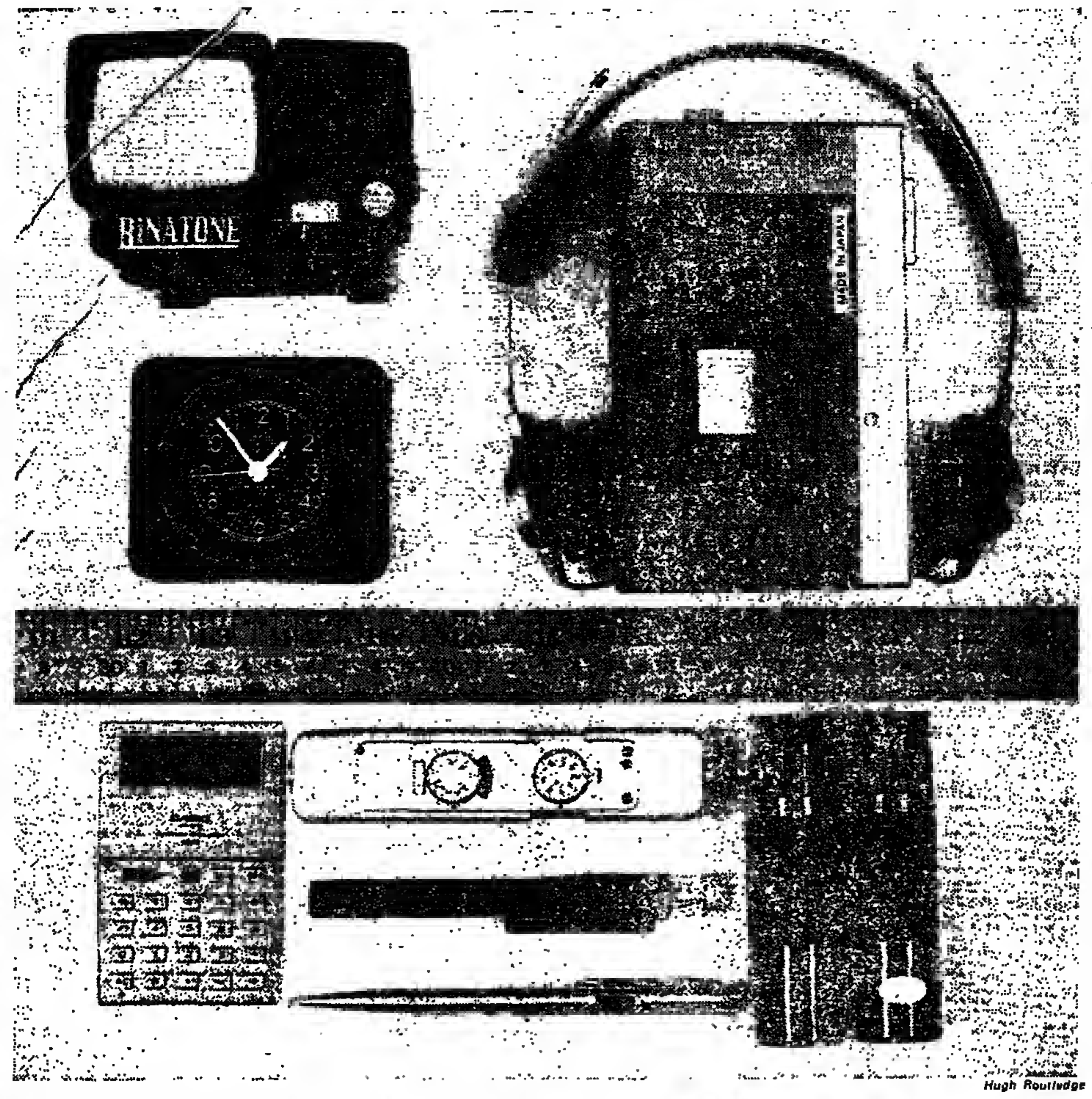
The camera itself costs £259 (plus £2 p and p) from Wallace Heaton.

If you want a single lens reflex small camera the Pentax Auto 110, (photographed separately right), is very neat and easy to carry. It isn't quite as small as the Minox (talking technically the tiniest cameras, like the Minox LX are described as "sub-miniature" while the next size up, like the Pentax is "compact"). It would fit into most pockets, though would cause more of a bulge than the Minox. It measures 3¾ inches long by 2 inches across and 1¾ inches deep. Very compact and easy to pack and use (it takes a cartridge film), it is £79.95 from Wallace Heaton.

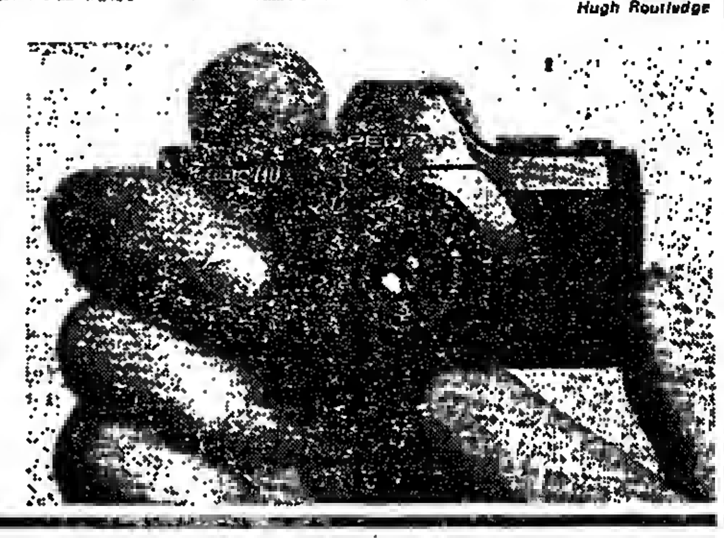
In the centre panel below the Minox camera is a tiny torch—the Everready Penlight, battery operated and measuring only 4¾ in long by ½ in wide, it is £1.85 from most good stores, in particular Selfridges. Would make a good stocking present, come Christmas.

Below that is the Best LCD combined alarm watch pen. It works on batteries, is 5 in long and very slim and costs £25.95 from Selfridges.

Finally on the right, below the ruler, is the slimmest pair of binoculars we could find. Described as the Roof Pocket 8 x 20 binoculars by Zenith Tempest, they are supplied with neckstrap, lens cleaning cloth and a soft little pouch for carrying them. When closed they only measure 3¾ in long by 2 in across. £79.95 from Burlington Cameras, 20-1, Burlington Arcade, London W1.



Hugh Routledge



The model in the picture is applying her "Daily Dose." One of the key elements in the new Lauder Prescriptives beauty range, the Daily Dose is the energiser and night and morning two drops need to be applied and spread over cheeks, chin and forehead.

Prescribed for beauty

KEEPING up with new developments in the volatile world of the beauty houses is about as easy as trying to see straight on a round-about in full flight—in other words, it's impossible. One gets glimpses of the trends and the underlying themes but focusing clearly on each new product is beyond the scope of anybody who doesn't make it a full time job. However, even to those on the busiest, whirliest round-about it has become apparent over the last few years that one of the major new directions that the reputable beauty houses were exploring was the area of skin-care. Of course, all the good beauty houses have emphasised that looking after your skin was more important than covering up the damage but it is only in recent years that skin-care has become such a thorough, such a scientific business.

Latest beauty house to launch a really deeply-researched and thoroughly worked out skin-care programme is Estee Lauder. I may be wrong but for me Estee Lauder has been, par excellence, the great glamour name in the beauty business, the name I associate with extrovert panache, with razzle-dazzle, with exquisite packaging and great desirability.

So to see the new collection of skin-care products, all plainly and simply packaged, with its round bottles and jars, looking spare and almost medicinal, gave me cause to think. Lauder Prescriptives the range is called (and when I think back to all those other frothy names that Estee Lauder has beguiled us with over the years I feel a lot of self-restraint and/or a lot of conviction must be behind that name) and it is now on sale at Harrods, where it will be sold exclusively for the next six months. It has already been on the market in America for nearly a year and reports drifting this way say that it has been an unqualified success.

The basic thinking behind the range is that what the modern woman wants is a skin that is as beautiful as it's possible to be so that she can then wear the minimum of make-up. Prescriptives is a system that is designed to give the woman who uses it a treatment and skin-care programme that will help her improve or maintain her skin in the best possible way. It is based on three main premises—cleanse, energise and protect and this is the basis of the regime.

There are several ancillary products (like Line Smoother, Anti-Bac for spots) and a range of make-up but it is the products prescribed for cleansing, energising and protecting that are indispensable.

Lauder maintains that each skin ages in a different way, each skin is as individual as a fingerprint and therefore the potential user of these products must go and consult one of the Prescriptive consultants who has been specially trained to study her skin and to advise on the group of products that will suit her. The products are all highly active and so it is essential that the customer strikes up a real rapport with the consultant so that she feels she can go back for advice and possibly a change of regime as often as she feels is necessary. She must understand how essential the three basic steps are—they don't take long but they must be followed as religiously as cleaning the teeth or brushing the hair—and because the products are designed to work together they must be used as prescribed.

To buy even the basic minimum is not cheap—a four months supply of cleanser, energiser and protector would cost in the region of £70—and most women would, I think, want some of the ancillary products (for instance, I particularly like the Line Smoother) and would want to go on and use the make-up which has been devised to go with the treatment products.

If you don't want to lash out such a large sum at once Lauder will be offering special preview kits at about £20 which enable the customer to try the system out for a month.

But what, I can hear you asking, will these products do for me that others on the market can't do? That is the nub of the matter and one that it is almost impossible to answer scientifically. I can only answer subjectively. I have been trying the system for the past month or so. I had some initial difficulties with some of the products—having exceedingly sensitive eyes I often react to any products put near them and having discovered that it seemed to be the energiser that should not be put near them, all is now well. My skin certainly seems smoother and even, dare I say it, a little younger. I do not suffer from spots but the Anti-Bac treatments sound very good. I particularly like the feel of the skin after using the products which is neither too oily nor too dry.

I much enjoy using the make-up which is very light and young-looking and anybody who has ever had trouble deciding which colour of foundation best suits them, will be intrigued by the new skin-coding Lauder has devised—it certainly worked for me and makes choosing toning blushers and lipsticks a very easy matter.

Now that the summer is over

THE END of the summer so depresses me that I feel compelled to give a party. I back the weather both ways by preparing a cold main course while being ready to serve a hot first course at the last moment.

There are a number of soups which are equally delicious served hot or chilled and, like the main course, can be made a day or two before the party.

My menu for this year is Cream of Brussels Sprouts and Prawn Soup (sprouts are just in season), Raised Duck and Juniper Berry Pie, Sussex Syllabub.

The recipes are enough for eight to 10 people but they can easily be doubled or trebled by increasing the ingredients. For the main course you could make two or three pies or vary the ingredients by substituting goose for duck.

Cream of Brussels sprouts and prawn soup

Serves 8-10

1½ lb unpeeled prawns; 2½ lb Brussels sprouts; ¾ lb potatoes; 2 large onions; 1 turnip; 2 carrots; 3 cloves garlic; 4 cloves, nutmeg, parsley, basil, marjoram, 1 bay leaf; plenty of black pepper and salt; ¼ pint single cream; ½ pint sour cream; ½ pint milk; 3 oz unsalted butter

Make a stock first. Peel the prawns and put them on one side. Place the prawn skins, heads and tails in a large stock pan, add three pints of water and slowly bring to the boil. Add the carrots and turnip thinly sliced. Stick the cloves in one of the onions, crush the garlic and put them in the stock pot along with all the herbs. Cover and simmer for approximately 1½ hours. Strain through muslin and put on one side, discarding the prawn skins and vegetables.

Do not peel the potatoes but slice them thinly. Slice the remaining onion and clean the sprouts. Melt the butter in a large pan and slowly cook the potatoes and onions but do not let them brown when all the butter has been absorbed.

Add the sprouts and stir them about a bit. Pour in the strained stock and milk, bring to the boil, cover and simmer for 20 to 30 minutes. Season with lots of pepper and salt if necessary. When slightly cooled, pass the soup through a sieve. Add the cream and sour cream and a very generous grating of nutmeg. Stir in the peeled prawns and chill.

If you wish to serve the soup hot, re-heat it very slowly and carefully, making sure it does not boil. If serving chilled, garnish with a very thin slice of lemon.

Braised duck and juniper berry pie

Serves 8-10

One 4lb duck; ½ lb pork belly; ½ lb lean bacon; 1 large onion; 28 juniper berries; 6 peppercorns; 3 teaspoons salt; 1 teaspoon wine vinegar; 1 teaspoon sugar; freshly grated nutmeg; lots of ground black pepper.

For the pastry: 1 lb plain flour; 1 teaspoon salt; 2 egg yolks; 6 oz lard; egg for glazing

Make a stock first. Bone out the duck and put the bones, neck and giblets in a pan and cover with water. Add 12 juniper berries, six peppercorns, half the onion, two teaspoons salt, the wine vinegar and sugar. Bring to the boil and remove any scum that may form. Cover the pan and simmer for about 2½ hours. Strain through muslin and put back into the cleaned pan to reduce it. When you have about ½ pint pour it into a jug to cool.

To make the pie filling, separate the fatty bits of duck and skin and chop them as nearly as possible into cubes. Coarsely mince the duck flesh, duck liver, pork and bacon together with the onion. Soak the rest of the juniper berries in warm water and add them at the last minute. Mix all the ingredients together with a generous amount of nutmeg, salt and pepper and put on one side while you make the pastry.

To make the pastry, warm a bowl and sift the flour and salt into it. Place the lard and ½ pint water in a pan over a low heat. When the lard has melted, bring to the boil. Make a well in the flour, put the egg yolks in it and pull in a little flour.

Now add the hot fat and water and, with a wooden spoon, stir continuously until the dough is cool enough to handle. Knead it lightly and quickly on a floured surface. When pliable, place it on a warmed plate with a warmed bowl inverted over it. Put it in a warm place for 20 minutes or so. Thoroughly grease a hinged pie tin 10½ in long by 4 in wide and 3 in deep. Cut off one third of the dough and keep it warm. Roll out the rest and thickly line the pie tin.

Add the juniper berries to the meat mixture and fill the pie, pushing the meat well into the corners and forming a mound in the middle. Roll out the rest of the pastry, brush the edges with the egg beaten with a little salt. Cover the meat, pinching the sides well together to seal it.

Trim the pastry, roll out the trimmings and cut out leaf shapes to decorate the top of the pie. Brush with egg glaze. Make a hole in the top so that you can pour in the stock after cooking. Pre-heat the oven to gas mark 8 (450F). Place the pie on a baking tray and cook for 20 minutes, then reduce the heat to gas mark 3 (325F). Cover the top of the pie with tin foil and continue cooking for a further three hours. Let the pie get almost cold before removing the pie tin by unhinging it. Through the hole in the top, pour the stock into the pie, using a very small funnel. Leave in a cool place overnight to set.

Rather than offering a variety of salads with this pie, it is better to stick to one fresh, delicately dressed green salad and a tomato salad.

Sussex syllabub

Serves 8-10

1 pint double cream; scant ½ pint white wine; 3 tablespoons brandy; 1 orange; 1 tablespoon clear honey

Peel the rind thinly off the orange and squeeze out the juice. Place the wine, brandy and honey in a jug, add the orange juice and rind. Warm it just a little by standing it in a basin of hot water and stir it until the honey dissolves. Cover and leave overnight in a cool place. Remove the rind. Gently whip the cream, slowly adding the wine mixture until the cream holds its form in soft peaks. Spoon into wine glasses and chill.

JULIE HAMILTON

ARTS

Stanley Spencer BY WILLIAM PACKER

With this huge definitive exhibition of Stanley Spencer, that so comfortably occupies more than half its principal galleries, the Royal Academy at last pays due honour to the memory and reputation of one of the trickiest in all its long line of eccentric sons, but one who could also lay fair claim, on the evidence here presented, to being one of its, and our, most gifted artists.

It is a dauntingly impressive show, a sequence of rooms full of extraordinary things, at once beautiful and exciting. It presents to us an artist realising, containing, making coherent and available a sometimes wildly idiosyncratic vision of the world, his world; and he does so by means of the related and necessary disciplines of close observation and intimate knowledge of his material, which is social man in his natural, usually domestic or local circumstances (his plain landscapes are always peopled by implication, images of cultivation or habitation: fields, gardens, village streets, country lanes), and remarkable craftsmanship and technical command. The results are such that we are at intervals stopped short by some of the most astonishing and memorable paintings ever made by an Englishman, certainly more so than anything done for a long lifetime past.

These are not indeed light claims to make, but if they are at all surprising, the fault lies not with the work itself, which is hardly unfamiliar, but with the attitudes by which we variously address ourselves to the visual arts in this country, and to the lives and personalities of the artists themselves (this artist in particular being but a conspicuous victim of the treatment).

For we tend not to put too high a value on the artist's calling, and would much rather entertain ourselves with a prurient reading of the details of his privileged adventures in Bohemia than look at his work. Stanley Spencer got his knighthood all right, but one cannot but suspect that it was the oddity rather than the quality of his vision and achievement that caught the official eye; and if the public imagination is still engaged by him, it is the picture of an odd little man darting about his native village, keeping his pyjamas on beneath his trousers, enjoying, if that is the right word, a most unusual private life, and entertaining the most peculiar ideas about religion, that remains fresh. As for the wider significance of what he did, the general feeling, unsupported as it is by any knowledge or real interest, may well be that to say he might be the best of British is not to say very much.

The attitude of the art world, critical, curatorial, professional, has been rather different, not so much denigratory as dismissive; for the history of modern art is a history of movements, upon which English art has danced attendance but never appeared to lead. If in consequence the critical temptation is to set the English achievement in general somewhat below its true worth, an artist such as Stanley Spencer must appear utterly irrelevant. How on earth can he be fitted in? The answer is that the Tate, for example, for a scandalously extended period, fitted him in below the back stairs. Happily he has lately been brought into the light and, save for the duration of this exhibition, duly celebrated and the signs in general are most encouraging: but though we have in recent years grown altogether more sensible and generous towards our own, the damage will still take time to make good.

This exhibition should help considerably, but the sad truth is that in the meantime Stanley Spencer, a great artist, remains virtually unknown abroad, while his foreign peers, to say nothing of lesser artists, flourish in their international reputations. It is not a question of direct comparison, but painters such as Hopper, Balthus, Grosz, Beckmann, the list is arbitrary and goes on, lose nothing by having Spencer with them. It is simply that had he been more orthodox, more easily accommodated a modern, his place would be undeniable.

Spencer in any case is far from being the unsophisticated natural that a superficial reading of his work might lead the too casual viewer to expect. His eye and hand were sharp from the start, always ready to take up the particular lesson that might be useful to him, whether through the easily available influences to which we see him responding in his early student work, the medieval fantasies of Millais, the fairy drawings of Rackham, Crane, Tenniel, or so very soon after-

The Bathing Pool Dogs

wards, the somewhat more recondite examples supplied by the early Italians, Giotto especially, one moment, Gauguin the next. And amongst his contemporaries at the Slade were Wyndham Lewis, David Bomberg and William Roberts, all of them very much alive to the current ferment in Paris; and together they worked, as clever students always will, in a spirit of mutual stimulation and competition. Whatever the effect he had on his fellows, the dynamic structures and principles of Vorticist composition remained fundamental to Spencer's own work to the end, most especially in the more ambitious undertakings. He was no throw-back or sport, but an artist very much of his time, assimilating influences from many periods for his own ends.

His draughtsmanship has a classical simplicity and authority, and underwrites everything he does, even the most extravagant of his distortions. And his landscapes, straight-forward and unaffected, are informed by so exact a sense of place that they speak to anyone who knows well that corner of Berkshire and the Thames Valley with an unnerving directness. Though he himself was inclined to place them low in his order of things, they stand honourably with the best of English landscape painting.

But it is the combined humanity and intensity of his religious vision which mark him out. Even the most gleefully secular of his works, scenes from village life or the chances of domesticity, seem to be invested with an almost sacramental quality, a celebration of life; and in the work which came out of his experiences in Mesopotamia in the Medical Corps during the Great War, in the magnificent Burghclere Chapel murals in particular, his celebration of the mundane life of the soldier becomes positively mystical. They are amongst the finest of war paintings, and as art there has been nothing close to them in our own time except David Jones' "In Parenthesis." The equally magnificent "Shipbuilding on the Clyde" panels from the second war are possessed of a different order of vitality, throbbing with concentrated vitality, vigorously ritualistic.

From his time at the Slade, Spencer began to people his familiar landscape with his personal revelation of Christian truth, seeing the lessons and miracles of scripture, with disarmingly literal conviction, in everything and everywhere about him. Christ preaches to the crowd, as of course he would, at Cookham regatta: Jesus is betrayed behind the shed in the back lane: the tombs in the churchyard open at the Resurrection, restoring the pent-up villagers to their families. Spencer was indeed a true mystic and a remarkable visionary, the greatest religious artist since Blake, and the greater painter.

The exhibition, which has been put on with the help of the Observer, continues until December 14.

Airborne legends BY ANTHONY CURTIS

Benjamin Jowett and Richard Hillary were both legends in their lifetimes; in the one instance a long and venerable lifetime, in the other tragically short. Both were the subject of dramatised features on radio this week. The Hillary feature was timed to coincide with the 40th Anniversary of the Battle of Britain and is accompanied by a reissue from Macmillan of his piercingly lucid memoir of his own experiences before and in the battle, *The Last Enemy* (£4.95), written when he was barely 20, and instantly acclaimed as a classic of RAF life in the early days of the war. For those who wish to put Hillary's account in a wider perspective I can recommend two recent picture-books, Derek Wood's *Target England* (Jane's £8.95) and Len Leighton's *Battle of Britain* (Cape £8.50).

The author of the radio portrait of Hillary (Radio 4 UK September 20) was Christopher Matthew and of the Jowett (Radio 3 September 23) Graham Greene. He wrote it many moons ago when it was produced by the late Stephen Potter. This new production was by Brian Wright, with Alan Bennett as Jowett, in order according to Radio Times, "to celebrate Graham Greene's 70th birthday." If this really was the reason, they are a little late. Mr. Greene was born in 1904, and last year in October we had an excellent feature on Radio 3, compiled by Philip French, *Graham Greene at 75*. Still, late or not, it was a discovery and heard a couple of nights after the Hillary, it showed how little the basic techniques of the dramatic feature on radio have changed over the years.

Because there was no-one alive who remembered Jowett, Greene had to invent conversations between rival dons at Balliol and undergraduate pupils such as the young Algernon Swinburne and through these to touch in the complex lineaments of the Master.

By contrast, there are several people, Lovat Dickson, Paul Hart, Pat Hollender, Bill Simpson and Bett Westmacott, who have vivid memories of Richard Hillary. We heard from them of the gilded undergraduate up at Trinity, Oxford, in 1939, the Air Squadron trainee, and the aloof patient at East Grinstead after the terrible burns suffered when he was shot down for the first time and rescued by the Margate Lifeboat. But even here among so much revealing living testimony the main dialogue in the programme was an imaginative reconstruction by Mr. Matthew of a series of conversations which Richard Hillary had with the war-artist Eric Kennington while having his portrait painted.

These occurred during the hiatus in his career after he had written *The Last Enemy* and when no-one quite knew what to do with him including himself. The suggestion that he should go on a lecture tour across the United States was mooted; but then on sight of him, as he was a mass of skin-grafts, it was considered to be in the words of one British official "a psychological mistake." In the end, literally obeying some kind of death-wish, he re-joined his squadron (how in his condition he was passed as fit for flying duties remains a mystery) and was killed.

The programme penetrated his state of mind before re-joining, showing him influenced by the example of T. E. Lawrence whom Kennington had also painted, and who was also faced by the problem of living down his own legend. Michael Cochrane played Hillary in tones of calm self-questioning and Peter Vaughan was suitably reserved as Kennington.

It all seemed light years away from Balliol on the 1830s and the storm over *Essays and Reviews* with Pusey and his friends ganging up against Jowett, smearing him with charges of heresy. Mr. Green concentrated mainly on College politics and presented a portrait of an Establishment rebel working within the system to change it. In B-movie style he communicated his enthusiasm for a period when people's careers depended on their attitude to St. Paul. Alan Bennett had no problems at all in devising the pedantic Oxonion voice of the Master while David Markham as Dean Stanley narrated the play and Brian Carroll was Jowett's loyal servant, Matthew Knight. Not an important discovery in the Greene canon but worth hearing, just.

Fur Coat and No Knickers BY MICHAEL COVENEY

The Oldham Coliseum re-opened two years ago. It had been closed for nine months, prior to which the old Repertory Club had run itself into the ground. In the past two years, the Artistic Director, Kenneth Alan Taylor, has presented eight world or regional premieres. The box office record has been broken four times. But no success has approximated to that currently being achieved by Mike Harding's *Fur Coat and No Knickers*, an hilarious local comedy that breaks all the rules and floats majestically over the débris.

Harding is a well-known TV comic. I have never seen him, but he sounds like a Lancashire cross between Billy Connolly and Jasper Carrott. Although his piece it totally uncontrolled, it does prosper on the soil of the old Manchester school of comedy in that the central dramatic action is the wedding of a young middle-class haulage firm director to a working-class girl from around the corner. The two families are bound by the history of generations. The crucial new ingredient is that this affiliation is seen only from the lower class point of view. The mood of the show is that of the music hall and its politics are appropriately rough, ready and satirically vindictive.

Fore once in the theatre—and to sit with a packed audience rocking with laughter on Thursday night was one of my year's highlights—there are no bones made about where the author's heart lies. I labelled the show uncontrolled, but there are five distinct sequences: the gathering of the Ollerenshawe family on the eve of the ceremony—Mum is a fag-toting refugee from *Coronation Street* with troublesome veins; the stag-night pub crawl which collects a drunken priest from the Catholic Club en route for the strip joint; the ceremonial preparations with Mum expounding to daughter the virtues of the biscuit box contraceptive method—stand him on the tin and, when his eyes go glassy, kick it out from under his feet; the wedding itself with over-hung relatives shuffling sheepishly through the pews; and the reception featuring Dad's stilted speech quoting Oswald Moseley and railing against left-wing homosexuals while the priest buries his fist in the trifle, the groom's mother is revealed as a woman with a past and half the cast strip to their underclothes as a result of an inflatable doll penetrating the cloakroom.

The show is certain to become a permanent fixture in these parts—it is far too confidently unsophisticated for London—and Mr. Taylor's production is admirably and unapologetically coarse-grained. Particularly notable performances are given by Judith Barker as Mum—who delivers the title line while squinting at her opposite number in church—and David Ross as Grandpa. I loved the self-penned portraits each character delivers in spotlight: one's religion is Christmas Eve Catholic ("I go regularly once a year"), another's Margaret Thatcher. And there is a prodigality of well-phrased jokes. Grandpa, on struggling into a voluminous pair of Moss Bros. trousers, declares that they contain "more bloody ballroom than Blackpool Tower."

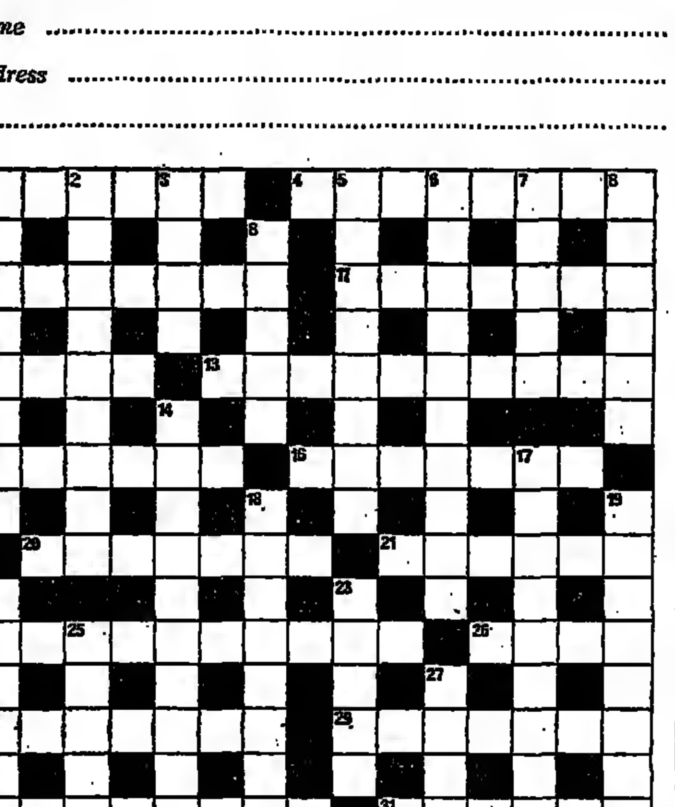
F.T. CROSSWORD PUZZLE No. 4,385

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



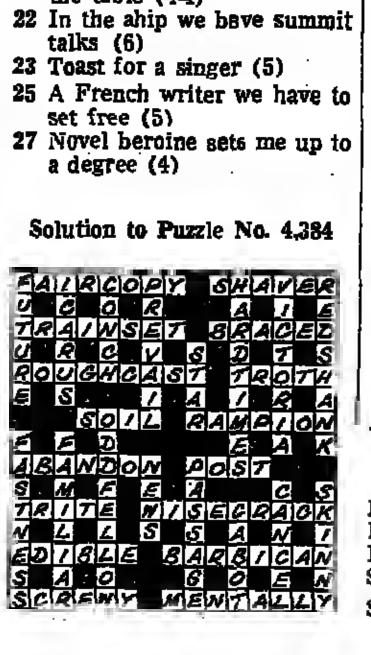
ACROSS

1 The design of a law-giver (6)
4 Damage serious for a foreign nobleman (8)
10 Initially the union upsets true upbringing (7)
11 Footwear for lay-abouts (7)
12 The hard worker returns with the marbles (4)
13 Proclaims the sovereign race in China (5, 5)
15 "Bare. — choirs, where late the sweet birds sang" (Sonnets) (6)
16 Just a short [illegible]e for coffee (7)
20 Finish in a sticky environment—there's something to be done (7)
21 The kidnapper's song (6)
24 Measure of refreshment that does not intoxicate (5, 2, 3)
26 Oriental present poetically sufficient (4)
28 A politician expresses surprise with the artist in jug (7)
29 Mama mia, cries this child (7)
30 Inauspicious state of the southpaw (8)
31 The opera for Transport House (6)

DOWN

1 Warning Scotsman over one party (8)
2 A tool in season spread irregularly (9)
[illegible]order town I manage (4)
5 Admitting everyone in debt (8)
6 TV programme gives one a good view (10)
7 Close feature lent by the attentive (2, 3)
8 Literary attempts (6)
9 A German does not make a good builder (5)
14 Cheap sweets herald the dawn of understanding (5, 5)
17 Out of business but by no means weak (3, 6)
18 Gaff sure to supply Mrs. Pankhurst's objective (8)
19 Confrontation with cards on the table (4-4)
22 In the ship we have summit talks (6)
23 Toast for a singer (5)
25 A French writer we have to set free (5)
27 Novel heroine sets me up to a degree (4)

Solution to Puzzle No. 4,384



TV/Radio

BBC 1

† Indicates programme in black and white

9.05 am Athlete. 9.30 Multi-Coloured Swap Shop. 12.27 pm Weather.
12.30 Grandstand: Football Focus (12.35); World Carriage Driving Championships from Windsor Great Park (1.05); Badminton from the Royal Albert Hall (1.30, 2.40, 4.10); Racing from Ascot (1.50, 2.25, 2.55, 3.30); Rallycross from Lydden Hill, Kent (2.05, 3.10, 3.50); 3.45 Half-time Football Scores; World Championship Boxing Preview Alan Minter v Marvin Hagler (4.30); 4.40 Final Score: Classified football results, match reports and latest news of today's other sporting events.
5.10 The Dukes of Hazzard.
6.00 News.
6.10 Sport/Regional News.
6.15 Doctor Who.
6.40 Larry Grayson's Genration Game.
7.35 Juliet Bravo.
8.25 The Paul Daniels Magic Show.
9.05 News and Sport.
9.20 The Saturday Film: "The Drowning Pool" starring Paul Newman.
11.05 Parkinson.

All Regions as BBC 1 except as follows:—

BBC Cymru/Wales—8.25 am Athlete: Indoor Training. 8.50-9.30 Crackerjack. 6.10-6.15 pm Sports News Wales. 12.05 am News and Weather for Wales; Close.

Scotland—4.55-5.10 pm Scoreboard. 6.10-6.15 Scoreboard. 12.05 am News and Weather for Scotland.

Northern Ireland—3.10-3.50 pm International Hockey. Ireland v Scotland. 5.00-5.10 Scoreboard. 6.10-6.15 Northern Ireland News: Sport. 12.05 am News and Weather for Northern Ireland.

England—6.10-6.15 pm (South West only) Saturday Spotlight.

BBC 2

7.40 am-12.40 pm and 1.05-1.55 Open University.
1.55 Saturday Cinema Western Double-bill: (1) "Tumbleweed" starring Audie Murphy.
3.10 Adventure Game.
3.40 Saturday Cinema: (2) "The Lawless Breed" starring Rock Hudson.
5.00 Badminton—The Friends' Provident Masters Tournament.
†5.50 "Serfs" (season of films from China).
7.20 News and Sport.
7.35 Rugby Special.
8.25 We, the Accused by Ernest Raymond.
9.20 Badminton highlights.
†9.55 "The River Flows East In Spring," part 1 (season of films from China).
11.30 News on 2.
†11.35 "The River Flows East In Spring" (part 2).

BBC2 Northern Ireland only—12.40-1.05 pm Tomorrow's World.

LONDON

8.35 am Sesame Street. 9.35 BJ And The Bear. 10.30 Tiswas.
12.30 pm World of Sport: 12.35 On The Ball; 12.55 International Sports Special — (Part 1) Speedway—World Team Cup Final from Wroclaw, Poland; 1.15 News; 1.20 The ITV Six—1.30, 2.00, 2.30 and 3.00 from Stratford; 1.45, 2.15 and 2.45 from Redcar; 2.55 International Sports Special—(Part 2) Golf — Bob Hope British Classic from RAC Country Club, Epsom; 3.50 Half-time Soccer Round-up; 4.00 International Sports Special — Part 2 continued) Golf—Bob Hope British Classic; 4.50 Results Service.
5.05 News.
5.15 Metal Mickey.
5.45 Buck Rogers In The 25th Century.
6.45 Up For The Cup.
7.30 "Shoot Out," starring Gregory Peck.
9.15 Hammer House Of Horror.
10.15 News.
10.30 The Big Match.
11.45 Pro-Celebrity Snooker.
12.30 am Close: Personal choice with Sandy Gall.

All IBA Regions as London except at the following times:

ANGLIA

9.25 am The Beachcombers. 9.50 Rocket Robin Hood. 10.10 Fangface. 10.30 pm Match of the Week, by Steve Rider with match commentary and analysis from Gerry Harrison. 11.30 Paris. 12.25 am The Late Debate: Michael Hastings and Richard Scrase argue whether Christians are killjoys.

ATV

9.10 am Play Squash Jonah's Way. 9.35 Home Produced. 10.00 The Adventures of Black Beauty. 10.30 pm Star Soccer: Highlights of three top matches including a major first division match from the Midlands. 11.45 The Late Movie: "The Lovers." starring Richard Beckinsale and Paula Wilcox.

BORDER

8.10 am Play Squash Jonah's Way. 9.30 Home Produced. 10.00 Call It Macaroni. 10.30 pm Shoot. 11.40 WKRP in Cincinnati.

CHANNEL

5.14 pm Puffin's Pla(i)ce. 11.45 Portrait of the Artist. 12.00 Next Step Beyond.

GRAMPIAN

8.30 am The Lost Islands. 10.00 The Adventures of Black Beauty. 7.30 pm Feature Film: "Catch Me A Spy," starring Kirk Douglas and Trevor Howard. 10.30 Scotsport. 11.30 Paris. 12.25 am Reflections. 12.30 Sgeachd Leithaen.

GRANADA

5.30 am A Big Country. 10.00 Cartoon. 10.05 Batman. 10.30 pm Match Night: Elton Welsby with guest Ray Clemence. 11.45 The Hollywood Thriller. James Garner in "Marlowe."

HTV

5.10 am Home Produced. 5.35 Beachcombers. 10.00 The Undersea Adventures of Captain Nemo. 10.05 Batman. 5.13 pm HTV News. 11.45 Paris.

HTV Cymru/Wales—As HTV West except: 5.15-5.45 pm Ser Ser.

SCOTTISH

5.15 am Cult/Car. 5.40 Charlie's Angels. 7.30 pm "The Mind Of Mr. Soames," starring Terence Stamp, Robert Vaughan and Nigel Davenport. 10.30 Scotsport. 11.30 Late Call. 11.35 Quincy.

SOUTHERN

5.00 am Sesame Street. 10.00 The Adventures of Black Beauty. 10.27 Regional Weather Forecast. 11.45 pm Southern News. 11.50 Pro-Celebrity Snooker.

TYNE TEES

9.00 am Saturday Shake-up. 5.05 Solo One. 9.30 Saturday Shake-up. 8.40 Saturday morning movie "O-Kay for Sound." 11.20 240 Robert. 12.20 pm Saturday Shake-up. 5.13 North-East News. 7.30 Murder at the World Series (TV movie). 10.30 Shoot. 11.40 The Streets of San Francisco. 12.40 am Three's Company.

WESTWARD

†9.30 am Laurel and Hardy in "Putting Pants On Philip." 8.55 Look and See. 10.00 Spiderman. 10.25 Gus Honeybun's Birthdays. 12.27 pm Westward News. 5.14 Westward News and Scoreline. 11.45 The West Tonight. 12.00 Next Step Beyond. 12.25 am Faith For Life. 12.30 West Country Weather and Shipping Forecast.

YORKSHIRE

9.00 am One Step Ahead. 8.25 Spiderman. 9.40 BJ and the Bear. 10.30 pm The Big Game: Highlights from a top local game, plus action from two other matches. 11.45 The Palace Presents, hosted by Jack Jones with guests Pearl Bailey and Connie Stevens.

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave

5.00 am As Radio 2. 7.02 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Steve Wright. 1.00 pm Adrian Juste (S). 2.00 A King in New York (S). 2.05 Paul Gambaccini (S). 4.00-7.30 Rock on Saturday (S).

VHF Radios 1 and 2—5.00 am With Radio 2. 1.00 pm With Radio 1. 7.30 With Radio 2. 8.00 Portsmouth Country Music Festival 1980 (S) (continued from 11. 10.02 The Knockout Cup 1980 (S). 10.30-6.00 am With Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Tom Edwards (S). 8.06 David Jacobs with Star Sounds on record (S). 10.02 Pete Murray's Saturday Show (S). 12.02 pm Jimmy Young Sings for Autumn (S). 1.02 The News Huddlines. 1.30 Sport on 2: Football League Special (1.30, 2.00, 2.45, 3.10, 3.30, 3.45, 3.55, 4.42, 5.00, 5.50); Golf (1.30, 2.15, 3.15, 4.50, 5.30) Bob Hope Classic; Racing from Ascot (1.30, 2.30, 3.00, 3.35, 4.50); Boxing (1.30, 2.05, 6.30) Alan Minter v Marvin Hagler: 5.00 Sports Report: 5.00 Classified Soccer results; 5.25 Rugby Round-up; 5.45: Racing Results; 5.50 Latecomers' Soccer Check. 6.03 Europe '80. 7.02 Beat the Record. 7.30 Big Band Special (S). 8.02 The Portsmouth Country Music Festival 1980 (S) (VHF only from 8.00). 9.00 Big Fight Special: Alan Minter v Marvin Hagler. 10.30 Monaco Radio Contest 1980 (S). 11.02 Sports Desk. 11.10 John Benson with The Late Show (S), including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

‡7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.15 Bandstand (S). 11.45 I Know What I Like (S). 1.00 pm News. 1.05 English and American Music (S). 2.00 Play it Again (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 8.35 The Organ Works of J. S. Bach (S). 7.30 BBC Northern Symphony Orchestra, Concert, part 1 (S). 8.15 The Unicorn (short story). 8.35 Concert, part 2: Franck (S). 9.30 Letter from Durban (talk by R. W. Johnson). 10.00 The Classical Guitar (S). 10.45 Elisabeth Schwarzkopf (S). 11.00 News. 11.05-11.15 Vivaldi (S).

RADIO 4

6.25 am Shipping Forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather; programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather; programme news. 8.00 News. 8.18 Sport on 4. 8.45 Today's Papers. 8.50 Breakaway. 9.00 News. 9.50 News Stand. 10.05 Talking Politics. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News. 12.02 pm Money Box. 12.27 The Burkiss Way (S). 12.55 Weather; programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Wildlife. 2.30 "The Golden Bowl," by Henry James. 3.25 Join Radio 3. 6.00 Getting Together. 5.25 Week Ending. 5.50 Shipping Forecast. 5.55 Weather; programme news. 6.00 News. 9.15 Desert Island Discs. 6.55 Stop the Week with Robert Robinson. 7.35 The Roach and the Pussycat. 8.30 Saturday Night Theatre: "The Cruel Sea," by Nicholas Monsarrat (S). 9.58 Weather. 10.00 News. 10.15 A Song of Childhood—an archive of children's singing games. 11.00 Lighten Our Darkness. 11.16 Life After Life. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News, Weather, Traffic, Sport. 8.15 Weekend What's On. 8.30 Bob Powel's London Country. 10.03 Stuart Colman's Echoes. 11.30 The [illegible] Vincent Show. 2.00 pm Time Off. 3.00-6.00 am Join Radio 2.

London Broadcasting

7.00 am AM—Des Fahy. 10.00 Jellybone. 12.00 LBC Reports. 1.00 pm Sportswatch. 6.00 LBC Reports. 7.00 Geet Mala. 8.00 Network. 9.00 The London Interview. 10.00 Nightline. 1.00 am Night Extra. 4.00 Hayes on Sunday. 4.30 Decision Makers. 5.00 Morning Music.

Capital Radio

3.00 am Kerry Juby's Breakfast Show (S). 5.00 Capital Countdown with Graham Dene (S). 12.00 "Cash Country" with Dave Cash (S). 2.00 pm Duncan Johnson's Afternoon Delight (S). 5.00 Greg Edward's Soul Spectrum (S). 8.00 Nicky Horne's Six of the Best (S). 11.00 "Roots Rockers" with David Rodigan (S). 1.00 am After Midnight with Richard Allinson (S). 4.00 The Collection (Classical Music) (S).

TV RATINGS w/e Sept. 21

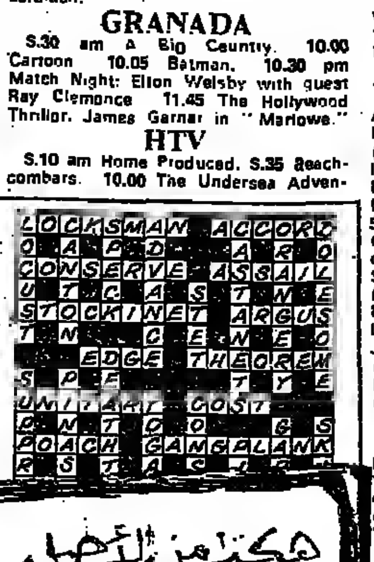
UK TOP TWENTY (viewers m.)

1	The Morecambe And Wise Show (Thames)	16.70
2	Coronation St. (Wed.) (Gran.)	16.45
3	Cowboys (Thames)	15.95
4	Keep It In The Family (Thames)	15.30
4	The Professionals (LWT)	15.30
6	Coronation St. (Mon.) (Gran.)	15.25
7	Larry Grayson's Generation Game (BBC)	15.05
8	The Worst Of It'll Be Alright On The Night (LWT)	14.75
9	Just Us (Thames)	14.65
10	Blankety Blank (BBC)	14.60
11	Crossroads (Tues.) (ATV)	14.05
12	Crossroads (Wed.) (ATV)	13.65
13	Give Us A Clue (Thames)	13.30
13	Nert Of The Yard (ITV)	13.30
15	Snowbeast (ITV)	12.75
16	Terry And June (BBC)	12.65
17	Sammy And Bruce (LWT)	12.60
18	Play Your Cards Right (LWT)	11.95
19	The Gentle Touch (LWT)	11.70
20	Top Of The Pops (BBC)	11.65

Figures prepared by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR).

SOLUTION AND WINNERS OF PUZZLE No. 4,379

Miss. A. M. Dingle, 1 Berkeley Road, London N8. Mrs. K. P. Dolam, 19 Kent Road, Sheerness. Mr. J. C. Towle, Selsey Avenue, Sale, Cheshi[re]



CHESS SOLUTIONS

SOLUTION OF POSITION No. 339

(a) 1 R-N8 ch, KxR; 2 P-R7 ch, QxP; 3 R-N4 ch and mate. (b) No — 2...QxP gives check. (c) 1 Q-K6 ch wins (Q-Q2; 2 R-B4 ch or R-Q2; 2 R-QB6). (d) Alekhine sometimes wrote comments "blindfold" without checking later.

SOLUTION OF PROBLEM No. 339

Five moves: 1 K-R1, P-R7; 2 B-Q6, P-R6; 3 N-K6, K-Q2; 4 N(K6)-Q8, K-K1 or B1; 5 B mates.

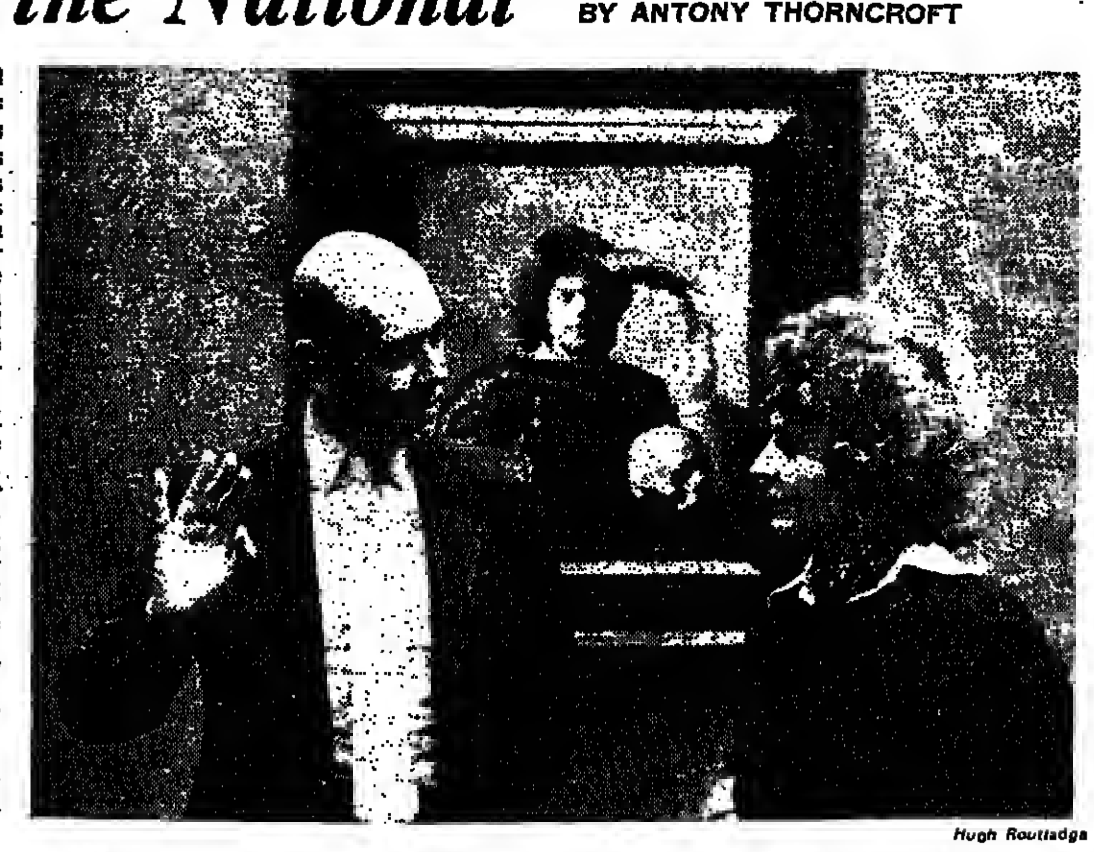
ARTS/COLLECTING

Live at the National

BY ANTONY THORNCROFT

This month the National Gallery, guardian of the nation's greatest collection of art, has added a living artist to its strength. Maggi Hambling has taken np a three month Art's Council supported stay as an artist in reaidence. Some of her own work will be hung on the walls—although far away from the Leonardoa and Titians—and visitors to tbe Gallery will be encouraged to question a working painter.

It is part of director Michael Levey'a efforts to widen the educational role of the National Gallery. There are critics who fear that the paintings are in danger of disappearing beoeath a flood of audio visual aids and guided lecture tours bnt when yon are administering a public institution Levey feels that the public ia as important as the institution. Over the next few years many innovations are planoad, most of which are desigoed *to breakdown* the barriers between the 2,000 paintings ln tha collection (all of which are on permanent display) and tbe two and a half million visitors a year.



Hugh Routladga

Michael Levey with tha National Gallery's first artist in residence Maggi Hambling: in the background the newly acquired Frans Hals.

While the National Theatre and the Royal Opera House, Covent Garden, make periodic headlines when they wrestle with cash crises aod industrial disputes the National Gallery successfully maintains a discreet profile. Michael Levey cao say "we feel that in the past three to four years the Gallery has been well treated by Governments. It is premature to start moaning, although it has always been appreciated that the cash crisis will come in 1981-1982." But at the moment, with its buildings supported directly by Government, the National Gallery budgets comfortably within the £3.6m it has received this year for acquiring paintings. In fact it attempts to end each financial year with cash ln hand. In this way it can compete when a really major work comes on to the market.

This happened in July when it paid over £2.5m at Christie's for an early Rubens "Samson and Delilah." Although objecting to having to pay the extra 10 per cent in buyer's premium on the £2,3m hammer price—"a sliding scale according to value would be fairer if there must be a buyer's premium"—Levey does not think that the Rubens was expensive. Rather "the fact is that these things are very cheap. You can buy 12 masterpieces for the price of a tank. We are suffering from a certain lack of up-dating in the price of fine paintings."

And the Rubens is certalnly fine. It is an early work of around 1610 wbich Levey thinks balances the great paintings of the 1630s, and makes the room devoted to the artist mucb more comprehensible and appealing. "Such works rarely appear ln the saleroom and wben they do we have to make an effort to buy them. It is our duty." Fortunately "we've lost hardly anything major in the last five years," although in May the National Gallery failed to retain a rediscovered Bouts which went to the U.S. and Levey still frets over losing the Velasquez portrait of his servant to the Metropolitan in New York, which paid £2.31m io 1970.

Lavey is constaotly on the look out for new additions. "We always need a bit of pepper in the salad. A great collection can become bland and not quite challenging enough." This is why he was delighted to acquire works by Picasso and Matisse last year. "The gap between us and the Tate ls not getting fuzzier. We are not in any way trying to pre-empt the Tate, but we must take stepa forward as we come to the end of the 20th century. The painters of the 1900s are no longer modern, and tbe National Gallery must not get stuck at a mystical barrier of 1900." Levey sees "the valua of an over-lap witb the Tate, pointing people towards their collection." He is particularly ioterested in non-French paintings: the National Gallery would love a Munch.

There are other paintings it would very mucb like as well. As the accummulated collection of a great nation with an expansionist past there are few blatant gaps bnt Levey regrets the absence of a David, anything by the Slenese artist Slmone Martini, of a full length Goya, a Chardin still life, and a typical Brueghel. But there are constant additions, around 20 important paintings in the past five years. Many of these now come through private treaty, and Levey is very enthusiastic about the opportunities in this method of paying the natioo in fine paintings rather than tax. The owner recelves a very fair price, a remission on tax, and a sweetener; the saleroom, if one is involved earns a fee; the National Gallery gains major works of art at around balf the price lt would bave to pay at auction. The tax authorities are reluctant to permit too many paintings to be substituted for cash but in August the gallery acquired a fine Frans Hals, "Young man holding a skull," and in tbe past year works by Pontormo and Steen bave come to the nation via this route.

It sometimes seems that Levey's main problem is not acquiring masterpieces but displaying them. "We cannot survive in this building for more than another ten years." he says. The main route of expansion has already been agreed—the acquisition of the adjacent National Portrait Gallery, but this awaits the finding of a new site for the NPG aod its erection there. In the meantime the Natiooal Gallery attempts to make the most of the space it has. Next month the Prime Minister will he opening three rooms io the east wing which have just been air-conditioned and a new and larger restaurant also should be ready in October. The next target is an adequate lecture theatre.

This is where Levey hopes that industrial sponsors will help out. In the past tba National Gallery haa not attempted to sell itself energetically to business, but this is changing. A lecture theatre, with the sponsor also supplying its name to tbe room, is the start. Levey, in his thrust towarda educating the public, also plans a special exhibition area, and an information room which, ideally, will be able to conjure up computerised information on the artists represented in the Gallery, showing through visual reproductions, examples of their work in other museums and generally filling in the historical and artistic background. Here again a sponsor would be very welcome.

The National Gallery does not mount the well publicised comprehensive exhibitions that have become characteristic of the Royal Academy and the Tate. Its instructional role is obvlons in its selective shows —displays of Dutcb 17th century paintings; painting from Cologne; and next year, an exhibition of Spanisb art. All the time there is tbe emphasis on education, on helping the public to make the mental and emotional jump into the paintings on the walls. Tbe constants of the Gallery year—the Artist's Eye, wbere a leading contemporary artist makes his personal selection from the collection (in 1981 it will be David Hockney) and the Second Sight feature, wbich, with audio visual aids, contrasts two paintings of different periods, are designed to do just that. As yet the children crawling around the floor following up clues in the summer quiz: the daily guided tours whicb thia month hava been added to the daily lectures: the didactic exhibitions; the planned information room and lecture theatre; the Artist in Residence; have not got in the way of tbe paintings. The National Gallery might he worthy but with so many otber institutions io the arts quite anxious to go out and shock, worthioess is no had thing.

Pitlochry's last night

Saturday October 4 will mark the closing performance in the "old" Pitlocbry Theatre. *The Importonce of Being Ernest* by Oscar Wilde will be tbe play on stage that evening, immediately prior to its tour to Kirkcaldy, Stirling and Glasgow (October 7-25).

The new theatre ls scbeduled to open next May.

Time to learn

BY JUNE FIELD

WHETHER YOU are a collector, art historian, antique dealar or just someone wanting to pursue tha pleasures that go with learning, this season's crop of art and antique courses are on everything from Worcester Blue and White to Freoch furniture and 18th ceotury fashion.

At one of the Geoffrey Godden Study Weekend Meetings, Worcester expert Mr. Henry Sandon passed round samples of porcelain fired at different stages togelher with some of the iogredients that were mixed with metallic oxides to produce a workable eoamel for the decorators.

Expressing appreciation an enthusiaat wrote: "We sniffed at jars of fat oil, oil of turpentine, and aniseed, saw examplaa of honey gildiog, which cao only be fired ooce, mercuric gilding on which a smoother surface can be obtaioed by a secood firing, and the fioal process of burnishing by bloodstones and agates, finally haodliog a pot of gold nuggets."

The next one-day seminar of four lectures. *Godden On English Porcelains 1745-1900,"* when problem pieces can be taken along to be identified, sold or exchanged (admissioo by advaoce tickets £8), ia on Wedoesday, October 15 at 17-19 Crescent Road, Worthing, Sussex. Details from Mr. Godden at that address.

Mr. Sandoo is also a lecturer at RVS Enterprises' *Care and repair of Porcelain ond Furniture* weekend in Stratford-upon-Avon's Falcon Hotel on November 7, cost £78.50. Details Mrs. Judy Watts, director, RVS, Hilton House, Norwood Lane, Meopham, Kent.

Grand Tours' programme includea a weekend to Belgium to see the Breughel aod Van Gogh exhibitions (£170), and *Inside the Art World* evening visits to London museums and exhibitions, £8. Details Mrs. Juliet Aschan Brooks, Grand Tours, 14 Conrtfiáld Road, SW7.

People and Places holds regular *soirées* in houses or venues in which famous hostesses, writers, poets, or musiciana once lived or visited. I went to *The View from Strowberry Hill* to hear a reading of letters of Horace Walpole, in the Gothic house that is now St. Mary's College.

For the next eveot, write to Mrs. Aris Banham-Lee, director, Dewes Lodge, Mere, Wiltshire. Subscription is £5 a year, plus the cost of the evening, with all the proceeds going to Action for the Crippled Child.

The Earnley Concourse was founded to ruo short residential courses for adults; these include *English and Continentol Antiques 1700-1900,"* with a visit to the Brightoo Pavilioo, and "*Antique Collector's Workshop 1851-1930.*" with Mr. Bernard Price as the tutor, discussing everythlng from pot lids to Pariao, William Morris to Art Deco aod the dasigns of Clarice Cliff. The cost is from £9 to £14.50 plus accommodatioo and food. Programme from Owain Roberts, administrator, The Earnley Concourse, near Chichester, West Sussex.

Mr. Price is involved ln the popular *Arthur Negus Art* and Antiques Weekeods at the Imperial, Torquay, which start again from October 17 with Miss Syliva Copen-Gardner as a guest-speaker on glass, and an exhibitioo of period furniture, procelain, silver and jewellery by the Driffold Galleries, Sutton Coldfield.

Charges are around £117 for room and bath, food and wine, as well as the lectures, aod an identificatioo by Arthur and Bernard of any treasures you want to bring along. Programme from Mr. Michael Chapman, Imperial Hotel, Torquay, Devon.

Ceramics expert Geoffrey Godden's new programme of Study Meetings starts on Wednesday, October 15, with a one-day seminar at the Godden Gallery, 19 Crescent Road, Worthing, West Sussex.

The Leisure Learning calendar at Embassy Hotels include Aotiques Weekends in Yorkahire, Cheahire aod Hertfordsbire, led by Miss Rosemary Riggot, with visits to museums and antiques fairs. Cost £49. Leaflet from Miss Jaoe Easton, Embassy Hotels, 34, Queens Gate, SW7.

But part-time learning is oot new. In the early 1880s, when Emma Cons, friend of the housing reformer Octavia Hill, took a lease on the Old Vic, "penny popular" lectures by well-known scientists were put on as well as variaty and concerts.

In 1885 regular evening classes in a number of subjects were started ln the theatre dressing-rooms, while by 1889 educational activities were given their own part of the building, organised as Morley College, named for its benefactor Samuel Morley, textile manufacturer and MP.

Eventually, the college moved to an 18th century building on its present site, which had to be rebuilt after destruction in Octoher 1940.

You cao read the fully story in the current prospectus, free, from Mr. Raymond Rivers, vice-principal, Morley College, 61, Westminster Bridge Road, London, SE1. Depending on where you live, instruction, which lncludes Art History and Appreciation, costs from £13 for a basic course of 30 two-hour classes.

Pennies from America

COINS

JAMES MACKAY

LURKING AMONG the miscellaneous lots in next Tuesday's sale of Engllsh and foreign coins at Sotheby's are several items that recall vividly the makeshift nature of American coinage, both in the colonial era aod in the period that followed the Declaration of Independence.

The earliest settlers had little or no use for colned money, and traded with the Indians through the medlum of beaver skins or wampum, a form of beads fashioned from mussel-shells. In Virginia, tobacco emerged as a medium of exchange at an early date. External trade was conducted through the medium of French louis, British guineas, Portuguese joes, Dutch guilders, German thalers and other European coins, but gradually the Spanish gold doubloons and silver pieces of eight won ascendancy.

The peso of 8 reales became the staodard unit, often cut in half or divided into smaller fractioos to satisfy the need for small change. One real, worth 12½ cents, was known colloquially as a bit, and a quarter dollar came to be known as a two bit coio—a term that persists to this day.

The British Government ignored the demands of the colonists for some regular form of currency and it was left to private enterprise to fill the vacuum. The earliest colonial coinage was the Hogge Money issued ln the Somers Island (Bermuda) in 1616, the name being derived from the pigs which appeared on the obverse and alluded to the wild swine with which the island abounded.

The first coins actually minted anywhere in British North America were produced by John Hull wbo received sanction from the general court of the Massachusetts Bay Colony in 1652 to strike threepences, sixpences and shillings. The earliest pieces were exceedingly crude in appearance, plain blanks struck with punches inscribed NE to signify New Eogland with the denomination in pence, expressad in Roman numerals, on the reverse.

Barely a handful of sixpences ara known, and only two threepeoces, but the NE shilling is more plentiful and is worth about £3,000 in very fine condition.

The simplicity of the NE coins invited clipping and counterfeiting and they were followed very shortly by more elaborate designs, known from their motifs as the Willow Tree (1653-60), Oak Tree (1660-67), and Pine Tree (1667-82) coins. The dates are those lo which these issues were current, but the majority of the coins io all three series bore the same date —1652—above the numerals of value on the reverse.

The same three denominationa were produced ln the willow and pine tree sets, but the oak tree coinaga lncluded a twopence which, exceptionally, bore the date 1662. The use of the date 1652 on the coins was to give them the appearaoce of haviog been struck during the Civil War period, when authorisation by the King would not have beeo required.

The first of the pine tree coins were struck on wlde thin planchets, but the later colns were narrower and thicker, in imitatioo of contempory English coins. Sotheby's sale contains examples of both types of shilling. The small planchet type is actually more plentiful than the arge type, but, of course, condition is all-important, which is wby the small type in this sale, in very fioe condition and well struck, is worth £1,200-£1,400, compared witb the more mmodest estimate of £20-£300 on the nominally scarcer, though not so fiue, large planchet coin.

Maryland was not slow ln emulating Massachusette, its coins being issued in 1658 under the auspices of Cecll Calvert, second Lord Baltimore and Lord Proprietor of Maryland. Lord Baltimore had his coins minted in England and they are altogether superior to the Massachusetts issues.

Lord Baltimore fancied himself as a clasical scholar and his coins were inscribed entirely in Latin, with his effigy on the obverse ad the Baltimore family arms on the reverse. The value, in Roman numerals, was flanked by the motto "Crescite et multiplicamioi" (Increase aod be multiplied) on the shilling, sixpence and groat. Tehre was also ao extremly rare copper coio known as the denarium, which demonstrates that Lord Baltimore's Latin was not as faultless as he would have everyone believe.

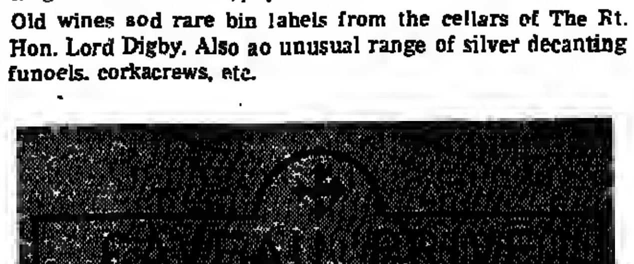
On this coln, intended to pass current as a penny, the reverse bore a ducal coronet and two peonants, with the legend "Denarium Terrae-Mariae" (penny of Maryland) round the edge.

These *Maryland colos are* much rare than their Massachusetts counterparts, but Sotheby's is offering a fine specimen of the sixpence, whose value is in the £1,200-£1,500 range.

To the early 18th ceotury William Wood obtained a patent for manufacturiog token coinage for Ireland and the American colonies and examples of his halfpenny and Rosa Americana twopence of 1723 are featured in the sales.

These pieces hore a portrait of King George I on the obverse and depicted a crowned rose on the reverse. They derive their nickname from the Latin transcription *Rosa Americano utile dulci* — American Rose, the useful with the sweet.

Not surprisiogly, Wood's tokens, with their royalist sentiment, found little favour with the colonists and the majority of surviving examples are lo comparatively fioe cooditioo and are still plentiful for a modest outlay.



FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
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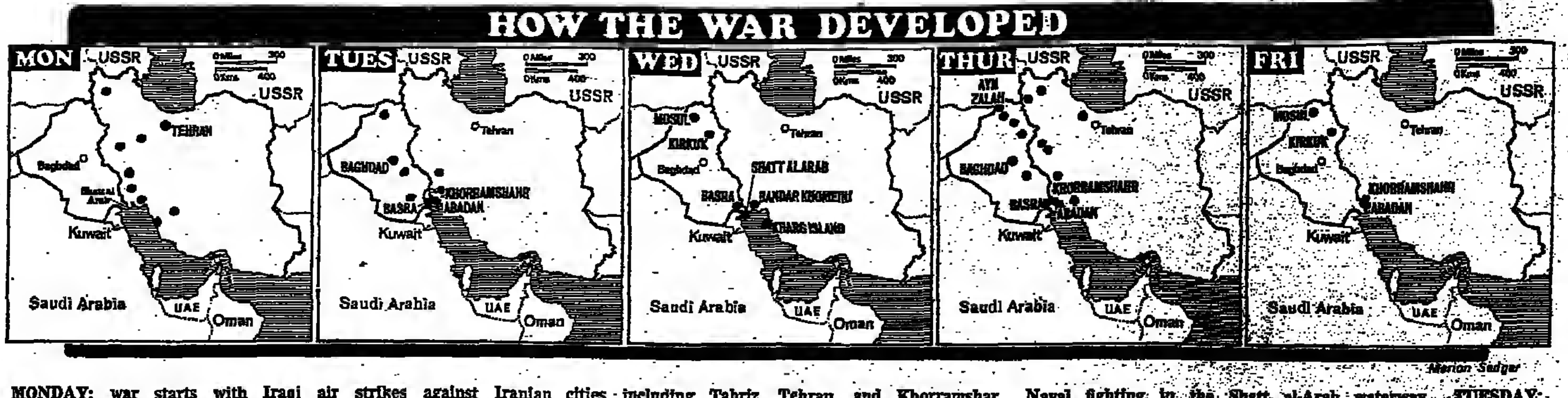
Saturday September 27 1980

HOW THE WAR DEVELOPED



Marion Sadger

MONDAY: war starts with Iraqi air strikes against Iranian cities including Tabriz, Tehran, and Khorramshahr. Naval fighting in the Shatt al-Arab waterway. TUESDAY: Iraqi troops cross border; Abadan, Khorramshahr and Ahwas hit. Iran bombs and strafes cities including Baghdad and Basra. Iraq claims to surround Abadan and Khorramshahr. Further naval fighting at the mouth of the Shatt. WEDNESDAY: first Iraqi attack against Kharg Island; Iran replies against oil terminals in the Shatt, also Kirkuk, Mosul and Basra. Iraq strikes for first time at Bandar Khomeini. THURSDAY: Baghdad among other cities hit; Kirkuk and Basra damaged again. Further fighting around Khorramshahr and Abadan. FRIDAY: heavy fighting around Khorramshahr and Abadan. Iranian aircraft again hit Mosul and Kirkuk.

War and other problems

FOR MORE than seven years now it has been true to say that the most intractable problems for the world have been concerned with the Middle East. Whether the Arab world is driven into temporary unity by its hostility to Israel, or is suffering its more usual disputes and unrest, the results tend to be massively disruptive in the outside world. The vast, continuing energy crisis, the disorderly transformation of the world capital market, the increasingly pressing troubles of the poorer countries and the severe setback to detente can all be traced to this source.

Urgency

For the last week, however, we have seen an open if undeclared war between two important oil-producing states causing little more than a ripple in normally sensitive markets. The gold market, the most reliable of alarm signals, gave only a preliminary twitch. Oil prices were largely undisturbed until yesterday and the moves in both the Arab world and among the great powers to mediate in the war and keep the Gulf open followed a rather leisurely course in the initial stages. This lack of urgency was not altogether surprising: Iran under Khomeini has become a country without allies or even friends; but it is also, unhappily a reminder that the outside world has at the moment other urgent worries.

The brutal truth is that most of the world now seems to be moving into a co-ordinated recession even sharper than the co-ordinated boom of 1973—but with disappointing effect, so far, in respect of inflation. By June, the last month for which estimates were available, industrial production in the main Western countries was falling at an annual rate of 11 per cent compared with the previous three months; subsequent figures are probably worse, except in the U.S.

One result has been a world-wide oil glut; the fall in deliveries was a positive relief to oil companies which have run out of storage space. Unless the war causes a major disruption in supply, governments will remain pre-occupied with the more pressing problem of how to correct a strongly inflationary recession.

Countries where management has been relatively successful in recent years are considering some measure of stimulus.

In Japan and France credit restrictions have been eased, though fiscal policy remains tight. In Germany, where monetary policy remains designed to check inflation through a strong exchange rate, while attracting external finance for the balance of payments, there is a heated pre-election debate over the permissible level of Government borrowing.

It is in the two main English-speaking countries, however, that the combined problems of inflation and recession are proving most intractable. While many of the difficulties of the two countries are very different, Government policies in both contain the same inner contradiction: heavy Government borrowing in a financial market constricted by tight monetary policies.

The result in the U.S. seems sadly like our own recent history; interest rates are rising strongly at the first sign of a revival in credit demand. This could easily abort any real recovery: and unfortunately the tax policies already proposed by Congress, and still more those proposed by the Republicans in the election campaign, are likely to prolong the agony. The warnings of Mr. Paul Volcker, the chairman of the Federal Reserve, seem so far to have found a largely deaf audience.

Reverses

In this country the policy debate has advanced a stage further. The Government now desperately wishes to create the conditions in which interest rates can be reduced sharply, but the available means are all unpalatable. One danger is a sharp confrontation over public sector wages; though the hawks may feel that the present dissent within the TUC means that there is never likely to be a better time for such a confrontation.

Relations with the local authorities are also likely to remain extremely hostile, and the further and determined spending review for 1981 which will occupy Ministers this winter will amount to a further choice of battlegrounds.

However, there are already reverses on other fronts. The continuing steep increase in unemployment, rising by some 80,000 a month, has persuaded the Government to yield enough to the recession to provide an extra £400m for British Steel, and no doubt a further large sum for BL, as well as forgiving the Meriden co-operative its debts: the growing indignation of commuters has produced £40m for British Rail, and may temper other price rises. Hence the urgent review of monetary control methods now preoccupying Whitehall. Next week, the Labour Party will produce a diversion at Blackpool, but the week after that the Tory faithful will demand reassurance.

Iran begins to recover its nerve

An assessment from TEHRAN indicates a mood of growing confidence as Iraq overstates its successes

A NEW mood of confidence has come over Iran's leaders as for the first time gaping holes have appeared in the Iraqi side of the propaganda war that has gone on as intensely as the shooting war during the past week.

By claiming that Iran's leader, Ayatollah Khomeini was dead, and that the important port of Khorramshah had been occupied the propagandists in Baghdad have revealed critical weaknesses to their Iranian counterparts.

"Until I heard these obvious lies I thought that the Iraqis had everything worked out," said a student outside Tehran's university. Not only is the Ayatollah still alive, but the fighting around Khorramshah has given the Iranians an heroic symbol.

With no sign yet of any Iraqi breakthrough into the port, Baghdad has been forced to retract its claim, saying limply that the statement had been "premature."

An Indian doctor speaking by telephone from the beleaguered Khorramshah said yesterday: "The shelling has been terrible. The position of my hospital is close to the worse affected areas, but so far we haven't seen any sign of the Iraqi forces and, as far as I know, they are still outside the city."

During the five minute telephone conversation, four separate explosions could clearly be heard over the line, confirming reports that the Iraqi forces are subjecting the city to a severe barrage.

Asked about casualties, the doctor said: "This hospital is too close to the shelling for the seriously wounded, and anyway, without water or electricity there is little that we could do."

A housewife, speaking on the 'phone from Khorramshah later yesterday, added that the strategic bridge across the Karun River, in the city, was still definitely in Iranian hands. She had risked the shelling to cross it looking for food and news of what was going on. "Most people near where I live have already left," she said. "But they have shelled us every day this week, and last night for the first time it continued all night long, and is still going on."

Concern for food supplies and fresh water would have been uppermost in the minds of residents of Khorramshah yesterday. The water supply was cut off three days ago, and electricity two days ago, so there is little food left in many homes that has not gone rotten.

Despite this, the people seem confident and rejected out of hand any suggestion of surrendering the city, and several women echoed the statement of one that her husband was out "building barricades and getting arms from the revolutionary committee."

In response to this new mood—as well as to firmly quash rumours of his death—Ayatollah Khomeini today gave a message to the Iranian people. Speaking in person, to the "Iranian army, Iranian people, the Iraqi army and the Iraqi people," he once again called for the overthrow of the regime in Baghdad.

"Now that he is at war with us, you should stab him in the back . . ." he called to the people and army of Iraq. "Finish him off before we do . . ."

This time the Ayatollah had specific tactics to urge on the Iraqi people. "Organise big marches, go on strike, refuse to pay your taxes, don't pay your electricity or water bills . . . blow up government offices . . ." were what he suggested.

With five days of increasingly sever fighting behind them, both sides must be beginning to review the progress of the war so far. For Iran the claims from Baghdad have come at just the right time. "It shows that Saddam Hussein is losing confidence and is lying to his own people," said one junior army officer, walking in a park in Teheran with his arm in a sling. He had been injured in fighting earlier in the war and admitted that then he had feared for Iran's chances against a concerted Iraqi push.

For most of this week Iranians have felt that they were on the receiving end of a carefully planned Iraqi military and propaganda attack. Some at first were even inclined to dismiss the whole war as "unnecessary and only something into which two leaders out of touch with reality could have dragged their countries."

Even Thursday nights air raid practice seemed at first only to have spread fear, but with the news of the pitched battle being fought for Khorramshah this has all changed. Now there are few if any Iranians who do not know what side they are on and what they are fighting for.

Significantly, even those who had little love for the Islamic republic, have stopped listening to the exiled Iranian opposition radio station — "they're just traitors" said one elderly lady, who confessed still to admire the late Shah.

Complaints about Iran's official news media have been frequent and two revolutionary guards on duty in Teheran yesterday, could be heard comparing the details of the fighting being given by the state radio and the BBC. After a lengthy statement from the army command, their conclusion was that Iranian radio was improving.

The statement by the armed forces covered the fighting over the whole of the past month. It claimed that the oil industries of both countries have been badly damaged and that, although casualties on both sides had not been high, border posts of both states had nearly all been destroyed.

The statement admitted that the Iraqi forces had entered into a number of border towns and that much of the fighting is now taking place inside Iran. Referring to the Abadan refinery the army said that parts of it had been destroyed, and that in other areas it was still on fire and the flames could be seen from some distance.

Iraq seeks to avoid a stalemate

Richard Johns in BAGHDAD reports on a war "no one can win" and the personal antagonisms behind the present conflict

IN Iraq, any unsolicited spontaneous comment from an articulate citizen is a small treasure to be grasped immediately.

Under the vice-like grip of the ruling Arab Baath Socialist Party, Iraq is one of the most "disciplined" states in the world where even the release of unpublished official statistics can earn a charge of economic treason and punishment by death.

It was a happy chance, therefore, to encounter an old acquaintance of more liberal times. Ignoring the possible global implications of Iraq's war with Iran and its threat to the world's oil supplies be remarked "This is a war that neither country can win."

The economic effects of Iran's attacks on Iraq's new chemical plant and its refineries is bound to be serious, he said, even if Iraq is—as it was claiming up to yesterday—getting the best of the war.

Iraq is certainly better able to afford the war than Iran. President Saddam Hussein's forces were both better prepared and better organised. And although the secrecy of the Baathists means that no one knows for certain how much money Iraq has to pay for its war effort, Western bankers estimate that it has now accumulated foreign assets worth $30bn.

Iraq's dynamic ruler has staked a great deal on a successful outcome to the conflict. My acquaintance's discreetly pessimistic assessment of the possible costs to the country was in bleak contrast to the patriotic fervour emanating from Iraqi TV these past few days.

Programmes have consisted largely of footage depicting the strength, proficiency and valour of the Iraqi armed forces, interspersed with rousing patriotic and martial songs. Failure to bring about capitulation of the "Persian racist" and "Iran's arrogant political leadership" could, at the very least, be gravely embarrassing.

In Baghdad itself the impression is that the predominant sentiment is one of relief rather than pride that Iraq has seemed to be on top in the war. There has been little sense of exuberance in official claims of Iraq's military victories. But, then, this is a country subdued by past political instability and the tough authoritarianism of the present regime.

Iraq's immediate and basic objectives were outlined on Wednesday night by General Adnan Khairallah, the Deputy Commander in Chief and Minister of Defence, who is also Mr. Hussin's brother-in-law. They amount, first, to the reassertion of Iraq's claim to sovereignty over the Shatt al-Arab waterway and the recovery of slithers of territory amounting to some 320 square km judged to have been appropriated by Iran in contravention of the somewhat obscure Constantinople protocol of 1913.

But the nationalistic issues in the background should not be under estimated. Shatt al-Arab is particularly important to Iraq as a landlocked state. Under a treaty signed in 1937, regarded in some quarters as an "unequal" imperialist imposition by Britain, control over the waterway was given to Iraq. Only limited upstream rights were granted to the Iranian ports of Abadan and Khorramshahr.

The Shah in effect abrogated the treaty in 1969—wielding the iron fist of military might and humiliating Iraq in the process—just one year after the Baathists seized power. The element of pure revenge, as well as the more obvious personal antagonism between Mr. Hussein and Ayatollah Khomeini, who was exiled in Iraq under virtual house arrest for 14 years, are strong motives for the war.

After exhaustive efforts at mediation by several Arab countries, a settlement was reached in Algiers at an OPEC summit five years ago between the late Shah and Mr. Hussein, then Vice President of Iraq. It gave each side equal rights over the Shatt al-Arab. The *quid pro quo* on Iran's part was an undertaking not to promote Kurdish dissidents in Iraq.

Two other issues have also become entwined in the current war.

First there is Mr. Hussein's desire to assert Iraq's leadership—and his own—in the Arab world. In the pursuit of this he has put aside the traditional radical, Left-wing stance of the Iraqi Ba'ath party and has developed a close practical alliance with conservative Saudi Arabia as well as drawing close to Kuwait and Jordan.

This swing towards the Centre has, to varying degrees, alienated or irritated the Palestine Liberation Organisation, Syria, and Algeria. But over the war with Iran, Iraq has received verbal support from nearly all Arab countries, including Egypt.

Second, Saddam Hussein is seeking not only authority, but also popularity. One problem, probably exaggerated, is that part of Iraq's population belonging to the Shia sect of Islam which dominates the present Iran regime, and which includes activists aroused by Ayatollah Khomeini's call for Islamic revolution. Mr. Hussein's Government, like all its predecessors in recent times, is dominated by the majority Sunni sect (though it is in no way religiously inclined).

The regime's desire to broaden its narrow base cannot be doubted. A step in this direction which surprised many observers in its apparent sincerity was the recent establishment of the long promised National Assembly by means of an election that was not totally dominated by the ruling party.

Steely in its dedication to development, the regime has been hindered rather than helped by the heavy hand of state planning. Yet the achievements insofar as they can be judged, have not been inconsiderable.

However, fulfilment of these ambitions could be badly set back by a war that must inevitably be a serious drain on the resources of even a country as rich as Iraq.

Anything like a stalemate could quickly reverse not only Hussein's political fortunes, but also send the economy into reverse.

Letters to the Editor

Maplin's flaws

From Mr. Christopher Meakin

Sir,—I think we owe a debt of gratitude to your correspondent Mr. Bernard L. Clark for revealing that he is the originator of the hare-brained scheme to build, at Maplin, a mirror-image of Europoort/Rotterdam and of Charles de Gaulle airport. I for one have often wondered where it all came from.

There are at least three fundamental flaws in the Maplin seaport idea—and as many again in the airport—quite apart from the sheer cost. A decent map provides the quickest way to understanding both the (now waning) success of Europoort, and the inevitable failure of Maplin had it ever been built.

Both seaports are chiefly concerned with deep-sea shipping which for Western Europe means ships passing through the Western Approaches. Europoort is about as near as Germans, Dutch, and the rest can get to those shipping routes. Maplin is about as far away as the English could ever get.

Try telling owners of fuel-hungry, capital-intensive ships that an extra 12-16 hours steaming (in either direction) to travel 180 degrees round England's industrial heartland before putting into port is not important! Significantly the two post-war "ports" developed in the British Isles (Milford Haven and Bantry Bay) have both been on deep water West Coast estuaries—hundreds of miles from Maplin.

The map reveals another equally vital fact: the link between hinterland size, and port size. The massive Rhine hinterland includes the Ruhr, the Main, the Mosel and runs right up to Alsace and even Switzerland. Contrast Maplin: the comparable Thames hinterland stretches all the way to Brentford.

If Britain really had to indulge in estuarial reclamation, the Severn would make much more sense on both counts. Yet even that concept faces the challenge posed 15 years ago when mixed cargo became the province of container ships. That revolution moved the transport planning problem inland: massing large numbers of ships at one point would merely exacerbate a problem which is already quite pressing enough, just servicing Felixstowe with road access.

The virtues of the Maplin airport proposal are even more obscure. I have been under the impression the proposal was dealt a mortal blow by the Association of British Chambers of Commerce way back in October 1973. Their still-to-be-refuted study was cribbed in large pieces by the July 1974 White Paper which eventually buried Maplin.

Among its numerous rejections of Maplin's big-for-bigness-sake folly, the ABCC did point out, prophetically, "Take the aircraft noise element out of the Maplin equation and the rest is an economic non-starter: yet the world aerospace industry will take out the aircraft noise problem anyway, Maplin or no Maplin."

It is unlikely whether anyone will turn back the clock in civil aviation, scrap the world's container ships, redesign the industrial geography of England or reverse the flow of heavy industry to the Third World, merely to demonstrate that Mr. Bernard Clark's brainchild was a good idea after all.

Christoper Meakin.
26, Desenfans Road, SE21.

Fledgling market

From Miss Isobel Cassidy

Sir, — Apropos Observer's appeal (September 22) for a more suitable designation for the new Unlisted Securities Market launched by the Stock Exchange, may I suggest that emphasising the high risk element may have a somewhat negative effect psychologically if the Stock Exchange wants to encourage the small investor and company.

Something which indicates that the securities are secondary to the SE main list, are new but with potential, might be conveyed suitably by an indicative word such as "Fledgling", or "Tiddler" Market. If and when they ever attain SE Quotation they duly come of age and achieve elevation to the SE main listing. Meanwhile investors would be alerted to the junior status and regulate their investment expectations accordingly.

(Miss) Isobel Cassidy.
30, Chadston House, Halton Road, N1.

Value for money

From Mr. Rowan Jones

Sir,—Robin Pauley's call for the efficiency experts to be brought into local government (September 24) seems to me to be just one more interesting but lamentably irrelevant and negative proposal to emerge from the current rhetoric surrounding local authority spending. Irrelevant because measuring value for money in any remotely objective sense, by Lamsac or by anybody else, is an impossible task; negative because there is a positive alternative reform which could be made which has been obscured.

Value for money means, quite literally, output for input. Of these two dimensions, "output" cannot be measured objectively, it will always be a matter of opinion. Input on the other hand can be measured with much more, if not complete, objectivity. It is achieved by the accounting model and this is where the financial statistics which are currently being bandied around are generated.

Unfortunately, although the model handles some information very well, the problem is that because of the idiomatic nature of local authority accounting much necessary information is not communicated. For example, the levels of *current* spending on both revenue and capital account are known with a great deal of accuracy. For obvious reasons the Government's attention is focused exclusively on these figures. But they only mean anything in terms of measuring performance of local authorities in the context of past levels of revenue and capital expenditure—and by "past" I mean back to the very beginning of local government.

At its most fundamental, the current debate is comparing the performance of the primary school built in 1890 with the primary school built in 1975. Comparing the levels of current spending or put another way, the rate levies required, for these two schools on the basis of the figures provided by the local authority accounting model, is simply not comparing like with like. This is because there will be no capital cost for the former school recorded in the accounts. What the model is saying is that it is provided free of charge. On the other hand, the capital cost on the new school, particularly in the light of the current high interest rates, will be a long way from being "free."

This means that the denominator in our value for money ratio is strictly not comparable. But the point is that it can be made so without impairing the objectivity of the measure. This is, I believe, where the real reform should be made. It will not of course prevent the rhetoric surrounding the output dimension but it will certainly improve the quality of the debate.

Rowan Jones.
Department of Accounting,
University of Birmingham.

Artful dodgers

From Mr. J. W. Davison

Sir,—The apparent inability of the authorities to track down car taxation dodgers seems somewhat surprising.

Some time ago it was a hobby of small boys to collect car numbers and this suggests a scheme. Why not encourage small boys to collect the numbers of cars not displaying the taxation discs, together with their location, and call round to the police station?

Now we have had demonstrated on the radio, the ability of the police to track down any car number within a few seconds on the computer, so the first small boy to report could be determined and a reward given of say one pound.

The next move would be for the police to impound the car until all outstanding taxes and expenses were paid or the car sold to defray these.

Since most cars appear to be "garaged" in the street there should be a good haul.

J. W. Davison.
2, Ashwood Terrace, Sunderland.

Electoral systems

From Mr. A. F. Smith

Sir,—I must take issue with Malcolm Rutherford (Sept. 19) when he says that the Federal German electoral system gives the Free Democrats far more power than its electoral support would warrant. Subject to the limits imposed by the 5 per cent minimum rule (a very dubious arrangement) the German system does produce a result relating seats proportionately to votes. What Mr. Rutherford forgets, constrained as he appears to be by the narrow thinking imposed by our own first past the post system, is that the assembly is a reflection of the voters' wishes. They do not have to vote as they do—they could give either of the two larger parties a clear majority as they did in 1957. They have so far not wished to repeat that exercise.

As the voters at large are represented proportionately no group can be said to have far more power than their support would warrant. There is nothing to stop the two larger parties from cutting out the FDP as they did in 1966 for three years or so.

I would have thought it a much more appropriate comment on the British system of election where a party was elected to power in 1974 with 39 per cent of the popular vote and in 1979 with 44 per cent and proceeded to implement policies very much at odds with those advocated by the parties representing a considerable majority of the electorate.

A. F. Smith.
14 Wensleydale Road, Hampton, Middx.

Crumbling buildings

From Mr. William Allen

Sir,—Mr. Kreamer (September 23) joins Mr. Mason in some special pleading for the cure-alls which their respective firms offer, but the cures themselves are different. One says it's all in the supervision, the other that when something goes wrong, at least there's no question about where the blame lies, and they will put it right.

With respect, are not your correspondents abusing your hospitality a little? Each has something to sell but neither is seriously trying to get at the root problem. Reputable architects, engineers and builders are all experiencing difficulties; are your correspondents saying that they are so much better in every department that they will avoid them?

I think that is unlikely. In the building world we have much the same kind of problem as that which medicine has for example; we are confronted by a wide variety of scientific and technical innovations and occasionally the consequences of using them are not foreseen. A few of them are probably not foreseeable. Sometimes the information necessary to do so has not been provided.

But I too would be abusing your hospitality to seek to deal with all this in a letter and I will only add that when a really expensive misfortune has occurred and the chips are down, discovery of the exact cause has to be established and can take months, perhaps even a year or more, and by then the insurers will usually be calling the tunes, not their clients.

William Allen
Bickerdike Allen Partners
16 New End, NW3

John Lloyd looks behind the dismissals at Congress House

TUC: the cracks begin to show

Mr. Frank Chapple and Mr. Sid Weighell confer at the TUC Conference (left): Mr. Moss Evans (right).

IS THE TUC General Council engaged in a "purge of the moderates?" And if it is, who is administering the dose to whom?

The moves inside Congress House over the past two weeks have been dramatised as the start of an historic split within tha TUC. That is almost certainly an exaggeration. The ousting of Mr. Frank Chapple from the TUC finance and general purposes committee is the culmination of personality clashes that have been evident for years. In a word, Mr. Chapple has been judged by bis colleagues to bave gone too fsr.

His fate is far less severe than that which in the past befell two other Right-wing TUC general councillors. Mr. Jack Peel, former general secretary of the Dyers and Bleachers Union, and Mr. Roy Grantham, general secretary of the Clerical Workers (APEX), both lost their general council seats when they got on the wrong side of the hig battalions.

Much more serious in the longer term would be the expulsion of Mr. Chapple's union, the Electricians, and of the Engineering Union over the long-running Isle of Grain powar atation dispnte. That bas been a possibility for months, yet it is hard to believe it will actually happen.

The main events which bave preclpitated the latest situation bave been:

● Last week, the TUC's committee to select committees met, as it customarily does after each TUC conference. It is drawn from tha finance and general purposes committee, wblcb itself takes in the most powerful unlon leaders and acts as the TUC's guiding body on organisation and inter-union disputes. That committee voted, hy four to two, to deprive Mr. Chappla of membership of the 12-strong finance and general purposes committee

● At the general council meeting on Wednesday this week, the council members voted, by 21 to 12, to confirm that decision. It also voted, by 21 to five, to suspend the EPTU and the construction and engineering sections of the Amalgamated Union of Engineering Workers from the TUC if they did not ohey its ruling on the inter-union dispute at the Isle of Grain power station construction site hy October 10 — a separate issue described elsewhere on this page.

● A meeting of the nationalised industries committee of the TUC, held immediately after the council, voted unanimously to retain Mr. Chapple as its chairman.

● On Thursday, a meeting of the Transport Industries Committee voted hy 12 to 7 to remove Mr. Sid Weighell, general secretary of the National Union of Railwaymen, from the committee's chair. He was replaced by Mr. Larry Smith, executive officer of the TGWU and a new member of the General Council ,who was not present.

Does this add up to a purge? The arguments for that view are, first, that Mr. Chapple's dismissal clearly was a largely political move. He was seen by Mr. Moss Evans, general secretary of the TGWU, as consistently disloyal and disruptive. His public attacks in Conservative newspapers on the TUC's Day of Action on May 14 were regarded with particular borror.

Second, he belleves there is s purge, and that it is well organised. Tbat belief is shared by Mr. Weighell, who strenuously opposed Mr. Chapple's sacking; hy Mr. Tom Jackson, general secretary of the Union of Commuunications Workers, who also opposed the sacking; and Mr. Bill Sirs, general secretary of the Iron and Steal Trades Confederation who would bave done bad he been tbere.

Third, Mr. Len Murray, the scrupnlously neutral general secretary of the TUC, is reportedly deeply concerned by the move.

The arguments against are a similar mix of the objective and the subjective. First, it is strongly beld by Mr. David Basnett, general secretary of tha General and Municipal Workers Union, and by Mr. Evans himself, that the twin dlsmissals of Mr. Chappel and Mr. Weighell were coincidental.

Second, the fears of Mr. Chapple, Mr. Weighell and Mr. Jackson that the long knives are not sheathed bave been denied. Mr. Jackson is chairman of the international committee, wbich meets on October 6: a challenge to his chairmansbip—wbicb could ba successful if tha "purge" theory is right—has been dismissed.

Clearly, tbere is plenty of meat for conspiratorial theorists bere, hut little bone.

A more fruitful source of speculation, lf not an answer, may he found hy considering the pressures being piled on the TUC and lts constituent unions —pressures which are an inextricable mixture of the political and the industrial.

The election of a Conservative Government, and the carrying of an Employment Act on whicb to date it has not proved easy to focus popular resentment, clearly face the trade union movement with a need for unity. Yet precisely because of the lack of One Big Issue, agreement on tactics has been elusive. Mr. Chapple publicly bombed tha Day of Action, but others on the Council privately sniped at lt. Some general secretaries worked hard to make it a success, and rigbtly complained that what successes there were were generally nnder-publicised. Others did little, and did not care.

The political centre of the TUC has still to be found. A clear ring-wing block, composed of the AUEW and the EPTU, has formed hut does not dominate. The TGWU is on the left, and has allies, but has not yet established begemony. The centre, in wbich the most prominent union is the GMWU, is still to play for.

The pressures are as sbarp industrially. Trade union membership is falling, for the first time in the active life of most trade union leaders. The smaller and medium-sized unlons are particularly squeezed hy rising costs and a shrinking revenue base, and are looking to merger partners. All unions are mora than usually anxious to recruit, and are often hruising each other ln doing so. A plathora of amalgamations are mooted, on hoth industrial and political grounds.

Further, the whip of unemployment and closures are causing workers in some lndustries to settle for below-inflation increases, sometimes against their leaders' advice. Calls by officials to protect johs have fallen on ears deafened hy the blanket of immediately attractive redundancy payments.

All these elements take precedence over personality clasbes which have been shaped into the TUC tableau of the past week. They both constrain and mould the actions of the TUC leaders. Clearly, they do not rule out the possihility of conspiracies, purges and the rest. But thay do mean that, aven if they exist, their success cannot be ensured and their effect is likely to be limited.

Terry Kirk

Protagonists in the Isle nf Grain dispute: Mr. John Baldwin, Mr. Terry Duffy and Mr. David Basnett.

How a dispute exploded

THE ENGINEERING and construction sections of the AUEW and the EPTU, representing nearly 1.7m members, are in danger of being suspended from the TUC. How has this all but unthinkablc possibility come so close?

Mr. Frank Chapple helieves it is because thc TUC General Council has supported the actions of "27 bandits." The General Councll agrees that the 27 insulation engineers, or laggers, previously employed at the Isle of Grain construction site, are at the root of the present impasse: but both Mr. Chapple and the General Council know that there is an immense superstructure resting nn their shoulders.

The 27, members of David Basnett's GMWU, went on strike last year because the cllent on Grain, the eCntral Electricity Generating nBard, insisted that they cease to enjoy their traditional high bonuses and instead conform to the rates prevailing among other craft workers on site. In April this year, the AUEW and the EPTU agreed to provide replacement laggers, nf which there are now 57 on site—thongh they are members of other unions as well as of these two.

They did so because, as they have argued, the CEGB would have closed the site if laggers had nnt been supplied: they were, they say, saving the jobs of about 1400 workers employed there.

At the samc time, bowever, they were clearly in breach of the Bridlington agreement, the 40-year old principle which lays down that no union shall recruit members in an area of work traditionally reserved for another. That principle is clearly of the first importance to the TUC, whose chief area of authority is in settling inter-union dispntes. It must cling to a rule which, of broken, could be the thin end of e very thick wedge indeed.

The TUC's case, laid out carefully by Mr. Len Murray after the Wednesday Council meeting, is that it bas gone out of its way to try to bring peace. It bas twisted the arm of the GMWU to make it accept that its laggers mnst work under common wage and bonus rates, and it has guaranteed that it will keep an eye on the site and ensure continued working. Further than that, Mr. Murray said, it cannot go.

The ball has clearly been passed to the AUEW and the EPTU, who bave sbown no signs of compromise. Mr. Terry Duffy, the AUEW engineering section's president, said after the council meeting that his memhers on site were convinced the TUC formula would not work. Mr. Chapple said be cared more about his members on Grain than for the General Council. (Mr. John Baldwin, general secretary of the AUEW construction section, said earlier tihs month that if tt came to a chalce between letting down his members and expnlsion from the TUC, he would take expulsion.

It is likely there will he moves, possibly on the fringes of the Labonr Party conference next week, to try once more for a middle way. Suspension of the two unions who have already moved close together politically would be a real split in the trade union movement, as opposed to the pntative ones wbich have been forecast this week after the dismissals of Mr. Chapple and Mr. Weighell.

Yet the two principles—hard-headed realism on the gronnd, claimed by the AUEW/EPTU axis, and obedlence to Bridlington, insisted on by (so far) everyone else—are far apart. Both sides feel it would be humiliat to try to reconcile them.

Economic Diary

TOMORROW—IMF interim committee meets, Washington.

MONDAY—Labour Party Conference opens, Blackpool. Quarterly analysis of bank advances (August final). EEC Fisheries Ministers meet, Brussels. Two-day meeting of EEC Agriculture Ministers opens, Brussels. IMF development committee meets, Washington.

TUESDAY—International Monetary Fund annual meeting begins, Washington. Mr. William Whitelaw, Home Secretary, addresses United Internationala des Syndicats de Police Congress, Brighton. Mrs. Margaret Thatcher opens accommodation for disabled, Habineg Housing Association, Southwark, London. Mr. Anthony Wedgwood Benn speaks at Christian Socialist meeting, Blackpool. Uganda's first general election in 18 years.

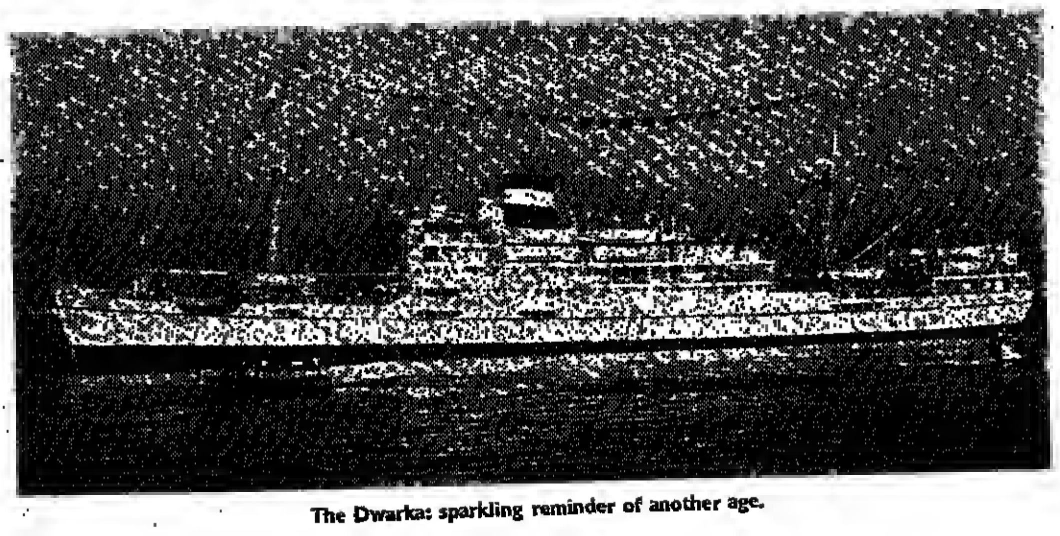
WEDNESDAY — Sir Geoffrey Howe, Chancellor of the Exchequer, addresses full meeting of International Monetary Fund and International Bank for Reconstruction and Development, Washington. Advance energy statistics (August). Financial Times conference on Financial Futures for European Institutions, London Hilton. Chairman of British Broadcasting Board of Governors at Newspaper Society Council lunch, Stationers' Hall, London.

THURSDAY — UK official reserves (September). Capital issues and redemptions (September).

FRIDAY—Statement by Britisb Paper and Board Industry following meeting with Mrs. Margaret Thatcher on future of newsprint sector.

Weekend Brief

The little bit of Britain that lingers yet in the heat of the Gulf . . . radio ears turn to the east . . . life in the television hot seats . . . and a new way of getting at wine



The Dwarka: sparkling reminder of another age.

Queen of the Gulf

While the giant tankers and modern containerships were burrying to leave the Gulf this week, an elderly Britisb passenger ship, affectionately known as the Queen of the Gulf, was slowly working its way up to Kuwait.

The 33-year-old Dwarka is far and away the oldest ship in P&O's fleet and lts British officers and native crew are old hands wben it comes to Middle East conflicts. Its sister ship, the Dara, was blown up hy terrorist bombs off Dubai in 1961 with the loss of 238 lives and the Dwarka itself managed to get out of Karachi only four hours before the Indians attacked.

The Dwarka is a household name around the ports nf the Gulf. It was built in the year India got its independence and has bean occupied ferrying pilgrims and itinerant workers back and forth between the Indian sub-Continent and the Gulf ever since. Apart from the Uganda, which is now a cruisa ship, the Dwarka is the last surviving member of the famous British India Line.

It makes its 16-day round trip between Bombay and tha Gulf ports 15 times a year. It carries some cargo hut mostly passengers which it drops off and picks np at Muscat, Dubai, Doba, Bahrain and Kuwait. It has few competitors apart from the aeroplane.

The advent of air travel bas reduced its business bnt it has still found a nicbe for itself since many of its 1,000-odd passengers have large amounts of haggage which they carry with them on deck.

The Dwarka's master, Captain G. A. Hankin, is an old India hand. His father was a British India master and be himself was horn in Ootacamund, the Indian hill station above Madras.

Captain Hankin is well known and liked around the Gulf and keeps his ship spotlessly clean. He spaaks several of the local languages and in off-dnty moments can occasionally be seen in Arab dress.

His ship would do justice to a Josepb Conrad novel. There is plenty of wood panelling in the public rooms and during the beat of the day canvas awnings are stretched over tha decks to protect the sleeping passengers. Recently the ship has been fitted with air conditioning hut that is the only concession.

However, the Dwarka's days are numbered. Although it still makes a profit for its owners the combination of eost and new safety regulations makes it most unlikely that P & O will build another passenger ship for this service.

Originally, British India had four ships on the run: The Dara sank after its explosion and the other two have been sold. Within the next few years the Dwarka will probably also go and all that will be left of the famous British India line will be a few fond memories of women in purdah and mullahs leading passengers in prayer at sunrise and sunset.

Ears of the world

The war which has been rocking the Middie East has also raised temperatures in a sleepy-looking country house which is a real-life relic of "Dad's Army" days.

Inside the former oratory school in Cagensham Park, near Reading, Persian and Arabic linguists bave been listening around the clock for the latest war bulletins from the Iranian and Iraqi radio stations. Most are picked up by the service's aerials in Oxfordshire, five miles away.

For Government departmants and the news media, Caversham provides an immediate, and sometimes unique, source of reports on wbat the belligerents, and many other countries, are saying abont the threat to the world's main oil lanes.

Their reports are handed to Caversham's news hureau which sends them by teleprinter to subscribers. The service also issues printed summaries whicb are distributed ln London next morning by BBC messengers to all who wish to pay for them.

The Persisn monitors were more ready for the latest crisis than the Arabists. They had heen on "open watcb" ever since Sunday, November 4, 1979, day that Islamic Revolutionary students seized the U.S. embassy in Tebran.

But although tension rose, there was no sense of panic. Since the monitoring service waa founded, a week before the outbreak of the Second World War, it has become used to its rola as a key Britisb listening post.

In the weeks before the Gulf crisis, It had been plugged into the Polisb radio coverage of tha Gdansk workers' general strike. Last year, it covered Kabul radio's announçements on the events lesding to Russia's invasion of Afgbanistan. In earlier years, it tuned into the Hungarian Uprising, the Cuban missile crisis and the Czech "spring" of 1968.

Some of its most notable "news breaks" were in the 1950s and 1960s. Those years were punctuated by waves of coups d'état in tbe Arab world Thanks to Caversham, the first the world knew of them was often when the revolutionaries captured the country's radio station and announced the fact to listeners.

In contrast, Caversham's own atmospbere is anything but burried. Documents are distributed around the building along a Heath Robinson arrangement of wires and pulleys, as well as a tubes system.

The service came to Caversbam in 1943 from Evesbam. One of its first report writers was the late Gilbert Harding, wbo later became what was once known as a "broadcasting personality." Another veteran is Victor Zorza, the Kremlinologist, who started off as a Russian language monitor.

Many early monitors were fugitives from Hitler, eager to put their mother tongue at the service of their adopted country. A handful of veterans are still at work, including Carl Lehmann, a former German monitar, now in charge of news and publications.

George Novakovic, head of the reception department, started work as a Serbo Croat monitor in 1947, a year after aettling in England.

He and the other old timers have seen many changes. From its first small group of European monitors, the service now boasts 115 translaters, working in 35 languages.

One thing that has not changed is the complaint that the service bas too little money. As a part of the BBC's external services, it is financed by the Treasury, and according to Novakovic, "they get a bargain."

Full time for TV's part timers

Admirers of the chirpy aplomb with which Mary Warnock, member of the Independent Broadcasting Anthority, bandled the public meeting at which the eight star-studded applicants for Britain's proposed breakfast television service presented their plans in Croydon's Fairfield Hall this week might bave thought she had plenty of time to prepare for the event. Those who sat through the lengthy affair might also feel she needed time to recover. In fact the redoubtable Ms. Warnock bad spent the previous evening chairing a similar meeting in the turbulent televisual waters of the West Country and soarcely bad time to scurry back to London before setting off for the suburbs to keep Messrs. David Frost, Christopher Chataway, Lord Lever, Robin Scott *et al* in order.

After that daunting experience she was at the IBA's Knightsbridge headquarters the next morning for a 9.30 start on a day which included deciding wbat sort of slap to administer to the warring factions at Westward. Such was the debate that tha day continued through a sandwicb lunch and ended at around 5.30, with each Anthority member getting a nice wad of bomework to take away.

Warnock is but one of the IBA's 12 members, all of whom have been taking their turns at appearing in various balls up and down tha country listening to local pressure groups expounding on their theories of television. Since most of them hava other jobs, the Home Office's promises when they were appointed — the usual suggestion is that it should take one full day a fortnight to earn the £2,250 a year they each receive—are beginning to ring a bit thin.

Given that the hurden of cboosing Britain's new commercial television contractors is proving sucb a beavy one ("there's so much paper, every time there's a meeting I say 'well there goes another Canadian forest,'" remarked one bard pressed aide) it is no wonder that there is a universal testiness within IBA corridors with the goings on at Westward. Thursday's letter to the warring parties was intended to bê every bit as brutal as it sounded. Some memlers of the Authority are sufficiently impressed with Westward's rivals to give the tronbled Plymonth incumbent some cause for concern.

The IBA dilemma is that it loves the company bnt is less than enthusiastic about its managerial hattles. Could it be that it is moving towards some imposed coup that does not reshuffle the board, bnt throws the whole pack aside for a more amenable alternative?

A better way of doing it

Herb Allen has always believed in the old adage that if you build a hettar mousetrap the world will beat a path to your door. And now, at the age of 73, he has proved it—only not with mice. Allen, a retired Texas oil industry engineer and former president of the Houston-based Cameron Iron Works, bas invented a better corkscrew and the world is daily knocking on his door with orders, requests for distrihution rigbts and pleas for manufacturing franchises. So great has been the avalanche of orders that Allen's small family-run production plant can no longer meet the world-wide demand, so Allen is expanding across the Atlantic with a second prodnction plant to be sited in London to serve his fast-growing European market.

From January 1 the North London factory will begin mannfacturing what Allen is billing as The World's Best Corkscrew, and baving seen the implement in action on a number of corks of varying ages and textures I wouldn't accuse him of hyperbole.

Allen was in London from Houston this week to talk to UK raw material suppliers for his new plant, and to demonstrate to the wine trade, and to potential retailers the wonders of his brainchild.

At first glance it seems an unlikely offspring from a retired oil industry engineer. But Allen says that he has spent much of his 50-odd years in the oil business inventing superior drilling devices for oil rigs. The difference between that and bottle corks is largely one of scale. But the connection was slow in coming. It was only after Allen had retired from the oil business to potter in his 6,000-bottla wine cellar beneath his Houston home that he got to thinking about corkscrews.

"I have some very fine wines, mostly Bordeux and Burgundies that I bad gathered during my travels and many of them have very old, and very delicate corks. I tried every corkscrew on the market but I couldn't find one that was both easy to use and left the cork intact every time. So I decided that I would invent the perfect corkscrew. It was quite a challenge in a business as old as cork-pulling to come up with something completely new."

The challenge was tongher than Allen bad expected. It took him two years of trial and error before he eureka-ed with The Screwpull, an implement which would win no awards for its aesthetic appeal, bnt is absolutely idiot-proof. It consists of a simple plastic frame that settles down on to the wine bottle, plus a thin helical screw of high tensile teflon-coated stainless steel, which pierces tha cork right through the centre even with the lead capsule still in place. After several rotations, and no force whatsoever, the cork climbs right up the screw snd out of the bottle.

When Allen launched the Screwpull in the U.S. last autumn it was leapt upon with great glee by assorted oenophiles, wine scribes and restaurateurs wbo were unanimous in labelling it "infallible." On this side of the Atlantic it has already won similar acclaim from tbose in the wine business. But the accolades that really count, says Allen, are those from the *Academie du Vin* in Paris, whicb ordered a gross for its wine-tastings.

Contributors:
William Hall
Maurice Samuelson
Arthur Sandles
Robyn Wilson

Lotus decelerates but still finishes £0.6m up

THE YEAR to December 28, 1979, sew turnover of Group Lotus Car Companies rise from £9.36m to £14.94m and pre-tax profits advance by £567,000 to £1.28m. Most of the profit increase, however, fell in the first six mooths. That period showed a £492,000 gain at £893,000 and the second balf put on £75,000 at £444,000.

Yearly earnings per 10p share improved from 5.9p to 10.9p but no dividend bas been declared, compared with a net 0.7p last time. Tax for the 12 months took £646,000 (£374,000) and there was an extraordinary debit of £279,000 (nil), relating to U.S. operations.

Mr. Colin Chapman, chairman, says 35 per cent of the 65 per cent increase in turoover relates to engineering activities for other motor manufacturers, coming into operation during the year.

The engineering facility was enlarged to meet the external commitmeots and also undertake the company's own model introduction and updates which were introduced in mid-1980.

Mr. Chapman states that the current year ia e period of general adverse world economic conditioos but engineering activities will help alleviete a reduced volume of car sales. cable menufacture, they edd.

● comment

Group Lotos Car sbares have not been the most rewarding buy of the past year. At yesterdey's level of only 19p they still stand at less than half their level when the 1978 results wera announced, and despite a 79 per ceot increase in 1979 pre-tax profits, the dividend is passed. The 142 per cent first-half profits growth bad slowed to 20 per cent in the aecond half, snd the current year — already nine months old—looks fsr bleaker. Car sales are likely to be 40 per cent down on last year's 1,000. Eogineering work for other car makers, though helpful, will not make up the shortfall. Extraordinary items have eaten up over a tenth of the net worth on tbe company's last (1978) pnblisbed halance sheet, with the closure of the U.S. aubsidiary established only 18 months ago through a buy-out of distributors. Around £2m worth of claims are atill outstsnding against the group in the American courts. But, all in all, the market's ceutious rsting, an historic p/e of 1.7 on an actual 51 per cent tax cbarge, may be overdoing things a little.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Brocks Group ....int.	nil	—	1.28	—	1.28
S. Casket	1.25	Dec. 12	1.25	1.75	1.75
James Dickie ....int.	2.44	—	2.44	—	4.88
Gronp Lotus Car	nil	—	0.7	nil	0.7
Hall Engineering ...int.	3.41	Nov. 7	3.1	—	7
Findlay Hardware ...int.	nil	—	0.5	—	1
London & Manchester Assurance ....int.	3.5	Nov. 15	3.15	—	8.75
F. Miller (Textiles) int.	0.9	Nov. 18	0.83*	—	1.95*
Minty ....int.	3	Nov. 7	3	—	9
James Neill ....int.	1.4	—	2.2	—	5.84
F. S. Ratcliffe	4.25	—	4.25	5.25	5.25
Readymix ....int.	0.87	Oct. 24	0.87	—	2.96
Southampton Steam int.	4	Nov. 24	4	—	13.5
Tilbury Contracting int.	6	Oct. 30	6	—	22.38
Thomas Walker	0.58	Nov. 14	0.76	0.75	0.93
Wankie Colliery	6‡	Nov. 14	6	10	9
Williams & James int.	1.16	Nov. 20	1.16	—	3.72

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rigbts and/or acquisition issues. ‡ Zimbabwean cents througbout.

Tilbury pushed well into the red midway by contract losses

BIG LOSSES on two local authority contracts have pushed Tilbnry Contractiog Group, the civil engineering, building and public works contractor, into a pre-tax deficit of £1.15m in the first half of 1980. The sbares responded with a 30p fall to 187p yesterday.

The loss—which compares with a profit of £565,000—was struck after provisions of £1.9m against contracts within the building division of Tilbury Construction, one of the group's main subsidiaries.

In his interim statement Mr. Patrick Edge-Partington, group chairman, said that since his annnal report, when better first quarter figures were reported, certain contracts have been identified as loss making, two of them significantly.

The chairman said yesterday that the main loss making contracts were conceroed with the building of flats complexes for the London boroughs of Hammersmith and Kensington.

He stated that the losses were brought about by a "deficiency ln locsl manegement and lack of control," edding "necessary chenges have hcen made."

On the provlslons the cbairman sald thet the company bsd "prepared for the worst" and he was hopeful that no further provisions would he necessary. The amounts provided for had been vetted by Spicer and Pegler, the group'e anditors.

The statement says thst although conditions in the industry remain difficult, the directors expect the group to trade profitably in the second balf. Better figures are heing achieved by the Nigerian associate and this trend is expected to continne.

For the full year the group is looking for something better than break eveo. This would compare with a loss for 1979 of £682,000 which was struck after providing for £2.03m in respect of Nigerian debts and a reductio nin UK operetions.

The directors say thet the financial atructure of the group ls aound and bave decided to maintain the interim dividend et 6p per sbare. They will consider the payment of a final in April in the light of trading performance and prospects at the time. The total for 1979 was 22.3789p.

Turnover ln the half year showed a rise from £26.97m to £29.59m. After a tax credit of £578,000 (£293,000 charge), the net loss comes through at £589,000 (£272,000 profit). Cost of the interim of £118,000 lncreases this deficit to £707,000 which is met by a transfer from reserves. The loss per share is stated at 28.87p (13.79p earnings).

The directors point out that the results exclude the Nigerian associate

£19.6m midterm loss by Talbot

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

TALBOT UK, the former Chrysler concern, incurred a £19.56m loss in the first balf of 1980. The company bas not made a forecast for the full year but there must now be little chance of it achieving the break-even target set by chairman Mr. George Turnbull at tha beginning of 1980.

The loss compared with one of £17.43m at the same stage in 1979 but laat year Talbot received UK Government grants of £10m. Interest payments this year were also up to £12.56m from £10.41m.

This year British Government aid has ceased and Talbot's parent group, Peugeot SA of France, will bave to bear the full brunt. Eerlier this year Peugeot pumped £30m of cash into its UK subsidiary to help cover the 1979 full-year loss—a record £41.14m.

Talbot last night said this year's loss was caused almost entirely by the tough competitive conditions in the UK new car market. In the first half of 1980 BL was particularly aggressive, beginning its "Buy British," cut-price promotiona which encouraged some other manufacturers to follow suit.

In the January-June period Talbot's car aales were 20 per cent down compared with a 12 per cent decline in the total market.

However, it pushed turnover up from £334.46m to nearly £339m in the half-year.

Although in the second half Talbot has its new medium-sized saloon, the Solara, available to belp lmprove its sales, trading conditions in the UK are expected to continue to be very difficult until well into 1981.

On top of thet, the company is having to contend with problems over its shipments of car kits to Iran, worth ebout £150m in a normal year. Even before the current hostilitiea in the Gulf, the Iranian factory was baving difficulty keeping up with its target and stocks built np to an unbealthy level forcing Talbot to cut back shipments. These difficulties only began to be felt during the last few weeks of the first balf.

Every one of Telbots UK asembly plants ie on short time and the group bas made 1,300 redundant so far this year.

This weekend studies will begin to see how Telbots dealer network can best be merged with that of Peugeot UK, part of a process announced by the parent group in Paris thie week.

In Britain the Talbot network will absorb the Peugeot business hecause the former sccounts for around 6 per cent of the totsl car market and the latter only 1½ per cent.

This is expected to produce some benefits hut they are hardly likely to show up in the Talbot results for the second half-year.

Results due next week

The interim seaaion continues this week, led off hy Currys on Monday, followed on Tuesday by Foseco Minsep. Ready Mixed Concrete, and John Laing.

Analyats expect a dull first half from Currys. Last year'a half included the pre-budget buying spree which helped pre-tax profits up to £4.6m. Monday's figure may be £1m or more lower (including property surplus), with fnll-year expectatioos heing marked down to £10m from £11m or more earlier in the year against 1979's £11.9m. In the longer term, the market seems generally cautious about the company's development of a major rental hueiness ln televisions and related products, plus specialist retsiling of micro-computers.

Ready Mixed Concrete is expected to turn in a healthy increase on the £15.2m pre-tax which it showed for the first half of 1979, when severe weather conditions prevailed througbout its European markets. Forecasters are looking for £20m to £21m, with a net dividand increased 10 to 20 per cent on last year's interim 3.35p. Useful growth is expected in both home and overseas profits, with the important German market having performed strongly. For the full year, sentiment is cautious for the second half, and perhaps £55m is in sight, against the prinr year's £47.3m.

Foseco Minsep got off to a strong start this year but tha recession in industry ls inevitebly causing a weakening in demand for the company's speciality chemicals and other products for the steel and foundry sectors. With 80 per cent ef sales outside the UK, the effect is not as disestrous as on other steel-related companies in this country although conversion of overseas profits into sterling burts. Analysts are expecting pre-tax profits at the interim to be up about 8 per cent to £10m. Effects of the ecquisition of Unicorn will not show up until tha second balf but they are not expected to be substantial. The interim dividend should be raised sligbtly, perbaps to 2.8p a share.

John Laing was expecting a further drop in tha UK construction market thie year and continuing weakness in the housing business, compensated by a modest volume increase in civil engineering. No one believes the compensetion bas been significant and interim pre-tax profit could well be lower than the depressed £5m earned last year. Abroad, while there are new contracts in the Middle East, the aubsidiary ln Spaio is suffering from the same pressures, bigh inflation and little cepital spending. Analysts expect things to get worse in the second balf and so are not looking for a dividend increase.

Also reporting next week are Cope Allman, Mitchell Cotts with preliminary results, and an interim from Ibstock Johnson.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Adwest Group	Monday	1.925	4.825	2.1
Banks (Sidney C.)	Tuesday	1.5	3.0	1.75
Beckman (A.)	Wednesday	1.95	3.78	1.95
Capseals	Monday	0.968	2.032	1.5
Cope Allman International	Monday	1.7	2.8	1.785
Electronic Machine	Wednesday	—	Nil	—
Halstead (James) Holdings	Wednesday	0.442	1.558	0.8
Ingall Industries	Tuesday	0.67	1.39	0.74
Lyles (S.)	Tuesday	2.0	3.5	2.0
Macallan-Glenlivet	Thursday	2.5301	3.8744	2.25
Mitchell Cotts Group	Tuesday	0.65625	2.955	0.65625
Paradise (B.)	Wednesday	—	—	—
Parker Knoll	Monday	0.725	4.275	2.5
Saint Piran	Tuesday	1.5	1.0	1.0
Scottish Metropolitan Property	Friday	0.9	1.6	1.25
Sharpe (Charles)	Thursday	4.12	23.38	4.12
INTERIM DIVIDENDS				
Arncliffe Holdings	Tuesday	1.12	1.54	
Beauford Group	Thursday	1.4	2.75	
Boustead	Tuesday	0.41667	0.83333	
Brent Chemicals International	Tuesday	1.0	3.5	
British Syphon Industries	Tuesday	1.3	2.7	
Bulgin (A. F.)	Wednesday	0.58	0.77	
Bunzl Pulp & Paper	Tuesday	3.83	2.74	
City of London Brewery & Inv. Trust ...	Thursday	0.88	3.32‡	
Currys	Monday	1.2	6.3	
Dinkie Heel Co.	Wednesday	0.25	0.25	
Downiebrae Holdings	Thursday	0.9	2.1	
Energy Services & Electronics	Monday	0.25	0.375	
F.C. Finance	Thursday	1.1	1.1	
Foseco Minsep	Tuesday	2.65	3.76	
Hiltons Footwear	Wednesday	1.3	3.423	

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
Ibstock Johnsen	Friday	1.5	3.0	
J. B. Holdings	Wednesday	1.5	1.5	
Jove Investment Trust	Wednesday	1.75	2.259	
Laing (John)	Tuesday	1.0	1.875	
Lyle Shipping	Friday	3.3	4.2	
Metalrax (Holdings)	Monday	0.74545	1.52727	
Nesco Investments	Friday	2.8	3.59	
North British Canadian Investment	Friday	1.5	2.75	
Owen Owen	Monday	1.0	2.7	
Ready Mixed Concrete	Tuesday	3.35	4.9	
Reed (Austin) Group	Thursday	0.9	2.46	
Revertex Chemicals	Thursday	1.17	—	
Royco Group	Tuesday	1.5	2.0	
Solicitors Law Stationery Society	Thursday	0.75	0.724	
Sparrow (G. W.) & Sons	Friday	0.804	1.2	
Sumner (Francis) Holdings	Tuesday	0.55	0.1	
Supra Group	Monday	0.66667	1.11111	
Thomson T-Line Caravans	Tuesday	1.75	1.75	
Tomatin Distillers	Tuesday	1.0	2.75	
Walker (C. & W.) Holdings	Monday	1.35	2.0	
Ward White Group	Friday	1.4†	2.88	
Waterford Glass	Tuesday	0.6	0.511	
Wearoughs (Holdings)	Tuesday	1.3	3.0	
Whatman Reeve Angel	Tuesday	1.8	1.9	
Wolstenholme Rink	Thursday	2.5	3.25	
INTERIM FIGURES				
Arrow Chemicals Holdings	Monday			
Beralt Tin & Wolfram	Thursday			
British Enkalon	Thursday			
Gates (Frank G.)	Monday			

*Dividends shown net pence per share and adjusted for any intervening scrip issue. † Includes special dividend of 0.08p. ‡ Total of second, third and fourth interims. ¶ Second interim.

Hall Eng. earns and pays more

FIRST-HALF 1980 taxable profits of Hall Engineering (Holdings) expanded from £2.88m to £3.6m and the interim dividend is stepped up from 3.1p net to 3.41p.

Profits for the whole of 1979 were £6.3m (£5.25m) and dividends totalling 7p were paid.

The directors say the downturn in the UK economy is having adverse effects on the profits of bome-based activities but this is being compensated mainly by improvements overseas.

First-half sales went ahead from £47.97m to £56.49m and the profit was subject to tax of £1.87m (£1.5m). Of the net profit of £1.73m (£1.38m), preference dividends absorb £32,000 (same) and ordinary £449,270 (£374,500).

Earnings per 50p share are shown as 13.33p (11.23p) basic snd 12.14p (9.89p) fully diluted.

During the first half £1.49m of 7¾ per cent convertible unsecured loan stock 1992/97 was converted into 1,093,414 ordinary share.

Negretti passes preference

Negretti and Zambra, the loss-making industrial and eviation instrument maker, ia passing its half-yearly preference dividends becauae it does not have enough distributable reserves.

Mr. Ronald Lord, the chairman, seid yesterdey that the company's reserves of around £1.2m were not available for distribution since they aroae from the share premium account and property revalnations.

The dividends on the preference and convertible redeemeble preference shares, due on Septembr 30 and Octobr 1, would heve involved a peyment of over £44,000. No ordinary dividend payment was made last year.

In its report for the financial year to March 31, 1980, the company said its consolidated reeerves fell by £1.66m, largely because of losses on esset sales. These losse, and those expected in the firt balf of 1980-81, bad cut distributable reserves to an extent that the company's articles did not permit payment of a preference dividend.

African Lakes falls at halfway

A SHARP FALL in local demand in Malawi, higher interest rates, the introduction of a deposit scheme for imports and an increased bad debt provision bave contributed to the African Lakes Corporation, tea and rubber planter, reporting substantially reduced pre-tax profits for the six months to January 31, 1980.

The figures show a drop from £567,290 to £191,800, after interest charges up from £46,346 to £170,190, and depreciation of £268,235 (£213,127).

With a similar pattern continuing since the end of January, elong with disappointing commodity prices, it is unlikely that the profits for the second part of the year will exceed those of the first, says Mr. B. S. Cleminson, the chairman.

The Board is confident, however, that it will be able to recommend an unchanged dividend of 1.1p for the year on capital as increased hy the bonua issne.

After tax, substantially lower af £44,200 compared with £235,403, steted earnings per 25p share ara down from 6.27p to 2.89p following the suhdivision of the capitalisation issue in April.

After mlnorities of £37,592 (£93,175) profit attributable has fallen from £238,712 to £110,008.

Brocks £0.5m loss midway

A TURNROUND from pre-tax profits of £420,302 to losses of £533,462 is reported by the Brocks Group of Companies, security and electronic equipment manufacturer, for the first six months of 1980. The interim dividend is omitted.

The group turned into loss in the second balf of 1979 with a deficit of £121,823, leaving the profit for the whole of last year down at £298,479 (£958,289). The final dividend was omitted, leaving the total payment at 1.2834p net.

The directors say market conditions continue to be extremely difficult and warn that further trading losses will be incurred in the second half.

Fundamental changes in the operation of the Poole companies are in progress, they add, in order to return them to profit as aoon as possible.

Turnover fell in the first half from £3.72m to £3.43m and the loss was struck after interest charges of £235,124 (£50,754).

There is again no tax charge, but an extraordinary debit this time takes £328,677.

Comparative figures for the first balf of 1979 include the results of Pelco (Electronics) and Grovemart only for the period from acquisition on April 25, 1979.

● comment

Brocks' share price retreated a further 4½p to 24½p yesterday when some unexpectedly poor half-year results were revealed. The difficulties of the marine electrical equipment division were already well known and in the half-year that operation was running at a loss of about £60,000 a month. But even putting that aside there has obviously been a sharp deterioration elsewhere to produce a £954,000 turnround into the red. Nevertheless marine equipment and a hefty level of debt — around £3m or two-thirds of shareholders' funds — are the two major problems. If all goes to plan both these difficulties may soon be overcome. At present the marine business operates from four factories. Brocks intends to move all its production facilities into one with a production space of 31,000 sq ft and sell the three others, two around 5,000 sq ft and one of 65,000 sq ft plus office space. In addition another 55,000 sq ft factory, currently on lease to ICL, may go. If successful the move should wipe out debt and put the marine business on the road to recovery. Meantime, the outlook remains grim. The second-half will probably be as bad as the first and a dividend seems out of the question.

Interest boost for F. Miller

AN INCREASE of £76,912 to £849,071 in pre-tax profits is reported by F. Miller (Textiles), clothing manufacturer, for the six months to August 13, 1980. Turnover was slightly down, however, at £3.55m compared with £3.58m.

The pre-tax figures include an interest credit of £180,576 (£116,730).

Mr. F. Miller, the chairman, says trading conditions have been very difficult in the first half, and considerable effort has been made to control overheads. Profits before tax have been helped by the current high interest rates.

He expects trading conditions to remain difficult in the second half, but the company is well pleced to take advantage of any improvement in demand and, subject to trading conditions not getting any worse, he is confident that the final results for the year will be satisfactory.

After tax virtually unchanged et £401,754 (£400,380), retained profits come out at £278,117 against £213,379. The interim dividend is effectively raised from 0.825p to 0.9p—last year's total was an adjusted 1.95p. Dividends absorb £129,600 (£118,000).

Almost the entire production capacity nf F. Miller is taken up by work for Marks and Spencer.

Dividend reduced as James Neill falters

SALES VOLUME for the first six months of 1980 at James Neill Holdings, tool manufacturer and general engineer, was lower than in the two preceding half years. This fact, coupled with reducing margins due to increased competition, led to e drop in pre-tax profits, says Mr. J. Hugh Neill, the cbairman, and the interim dividend is being cut.

The figures ahow pre-tax profits down from £1.36m to £426,000, but this is after interest cbarges up from £1.05m to £1.41m and additional depreciation of £534,000 (£458,000). Turnover rose slightly from £26.47m to £26.8m.

The directors have declded to cut the interim dividend from 2.2p to 1.4p—last year's total was 5.842p from pre-tax profits of £3.27m. The amount of the finsl dividend will depend on the outcome of the full year's trading and on the trend of business during the early months of 1981.

Mr. Neill says the company has at least maintained, and in some cases lncreaaed, its share of the UK market, hut with the recession, the market has shrunk. Exports are etill adversely affected by the strength of sterliog and remain less profitable. The company is well set to take advantage of any weakening of the exchange rate.

The decrease in consumption due to the fall in industrial activity, couple dwith the determination of distributors and consumers alika to reduce their stocks, haa been accentuated by the seasonal downturn during the bolidsy period.

He says be hopes to see a reversal of this trend later in the year as the destocking process tails off.

After tax down from £235,000 to £166,000, minorities £4,000 (£10,000) and an extraordinary credit of £12,000 (£126,000 debit), attributable profit has fallen from £986,000 to £262,000. Stated earnings per 25p share are 1.4p (6.2p).

● comment

James Neill was yielding over 21 per cent historically so yesterday's interim dividend cut had been widely anticipated. But the shares hit a new low for the year with a 2p fall to 37p and trading conditions have deteriorated further from the very poor second half last year. Export volume climbed 8 per cent hy comparison with July-December 1979 but home volume has declined by a similar proportion to leave overall unit aales down hy 2½ per cent. The contrast with volume levels in the first balf of that year is even more marked with s dro pof around 15 per cent in aggregete. The fate of the final dividend is most uncertain elthough Neill does disguise a useful level of profit (in historic terms at least) in the additional depreciation charge which may provide as e useful cushion if the prospects for 1981 are seen to he brightening. It would not take very mncb improvement on either the interest or exchange front to restore Neill's competitiva position meterislly but, ef course, these obstacles obstinetely refuse to budge.

Little hope of payment from Findlay Hardware

A PRE-TAX loss of £166,000, compared with a profit of £108,000 is reported by the Findlay Hardware Group for the first balf of 1980, and the interim dividend —it was 0.5p last time—has been passed. The board says it cannot hold out much hope that the company will bave the profitability to pay any final dividend.

The pre-tax figure was struck after interest of £130,000 (£195,000). There was a tax charge of £16,000, down from £23,000.

The board says reorganisation of this investment holding company has continued and a vigorous policy of working capital reduction has been followed. Stocks and debtors have been reduced by almost £1m.

This has inevitably been costly in terms of trading margins and the position bas been further impaired by a fall in turnover, occasioned by the recession, during the second quarter. Turnover for the six months was, however, up from £7.87m to £8.63m.

Toye looks to Christmas for jewellery recovery

A PRE-TAX loss of £33,582 compared with profits of £260,480 is reported by Toye and Company for the half-year to June 30, 1980. Turnover rose from £3.76m to £4.64m.

Mr. B. E. Toye, the chairman, says the company—its activities include the manufacture and sale of civil and military regalia, trophies, awards, medals, jewellery, clocks and watches—is suffering from high interest rates, the strength of sterling and the greatly reduced spending power of the general public. He bas no doubt, however, that the company will weather the storm.

Tha year-end results are bound to be influenced by the extent of the Christmas trade on the jewellery bueiness, although the traditional areas of activity continue to flourish.

Commenting on the first half figures, be says that despite not unsatisfactory results produced by aectors operating in the company's traditional spheres, an overall loss has been suffered.

He says it is proving more difficult to obtein sales in present conditions and in certain cases margins are having to be trimmed. Steps have been taken to cease manufacturing and wbolesaling of clocks, and to improve the poor situation of the other loss-making areas by further reducing overheads.

BIDS AND DEALS

New £221m gold mine and OFS merger plans

BY KENNETH MARSTON, MINING EDITOR

FURTHER details are announced regarding to the big new R400m (£221m) low-grade gold mining operetion in the Erfdeel-Dankbaarheid area of South Africa's Orange Free State in which the mineral rights holders are Anglo American Corporation and the Lonrho group's Duiker Exploration.

It is to be worked as part of an enlarged Western Holdings mining complex and will benefit from the latter's tax advantages. A new company, Eastern Gold Holdings, is to be formed to finance the after-tax cost of turning the area to account.

Eastern will provide loans to Western Holdings and this, coupled with the fact that part of the total capital expenditure of R400m will come initially from the new mine's profits, means that Eastern Holdings' peak requirements of new money will be around R100m.

The funds will come from shareholders in Eastern Holdings who are: Anglo American 44.5 per cent, Anglo American Gold Corporation 9.5 per cent, Duiker 36 per cent and Western Holdings 10 per cent.

Nearer to the commissioning data of the new mine a Stock Exchange listing may be sought for Eastern Holdings. Meanwhile Duiker haa announced that it is to make a rights issue to raise funds for its stake in Eastern Holdings.

After repaying the finance provided by Eastern Holdings, the latter will have an 85 per cent sbare in the gross working revenue and expenditure of the mine leaving Western Holdings with the remaining 15 per cent.

The deal is part of a larger arrangement whereby Western Holdings will take over Welkom Gold Mining and Free State Saaiplaas.

Welkom will get 3.185m shares in Western Holdings and Free State Saaiplaas will have 3.653m shares; these amounts are equal to one share in Western Holdings for about 3.8 shares and 7.7 shares, respectively, in the other two companies.

As already reported, the new mining prospect contains some 52m tonnes of ore with a modest recovery grade of 4.5 grammes per tonne gold plus uranium. Production will be 200,000 tonnes of ore per month and costs are estimated at R33 per tonne—in line with those in the OFS generally.

On this basis and taking current gold prices Lonrho estimates that the newcomer will make an annual working profit of some R98m (£54.3m). Lonrho shares hardened to 110p yesterday.

Mansfield Brewery in soft drinks deal

MANSFIELD BREWERY is buying the soft drink assets of T. W. Beach and Son, a subsidiary of Cavenham which is part of Sir James Goldsmiths Generale Occidentale group.

The price Mansfield is paying for the business (including the name of the company and certain trade names) ia likely to be in the range of £3.7m to £4.3m. Of this £2.1m cash bas been paid and the balance, also cash, will be paid on determination by Price aWterbouse and Co. of the net bok value of the business.

Beach is a leading "own label" grocery manufacturer with a strong position in the fruit juice and canned soft drink sector and an increasing share of the carbonated and concentrated soft drinks and preserves market. The preserves business of Beach, carried on at Hereford, will continue to trade as a subsidiary of the Cavenham group.

Mansfield said that the acquisition would fit in well with its existing and successful soft drinks business carried on by Mandora (UK). It regards the acqulsition as an important move in its strategy of broadening its business base and will strengthen its position significantly in the UK soft drinks market.

The assets being purchased include a freebold factory, warebouse and office complex on an 8.8 scre site at Eveshame, some leasehold properties, plant mecbinery and motor vehicles.

All exieting employees of Beach, based at Eveshame, with the exception of certain directors, bave heen offered employment on the same terms.

REVERTEX

Acceptances of Yule Catto's offer for Revertex bave now been received in respect of 8,958,284 existing ordinary (89.29 per cent) from over 78 per cent of holders.

The offer is declared unconditional as to acceptances, but remains subject to the fulfilment of other outstanding conditions.

HOGG ROBINSON IN NEW VENTURE

Hogg Robinson Group, the insurance broker with large Lloyd's of London interests, and Gil y Carvajal SA, Spain's largest insurance broking group, are major shareholders in a bew international reinsurance broking firm formed in London called Gil Carvajal and Partners.

Under the deal Hogg Robinson will initially hold 21 per cent, while the Spanish interest will be 46 per cent. It is intended that around 18 per cent of the equity should be taken up by other broking interests and discussions are under way.

The new company will place business originating from the Spanish partner directly in the London market, using Hogg Robinson services where necessary. Previously placement in London was through several different UK broking firms.

Mr. Lochie Spearman, managing director of Gil Carvajal and Partners, said thet the formation of the new company provided an opportunity for the principal partners to develop new business in areas in which Gil y Carvajal was already establisbed, as well as expand into new parts of the world.

SAML. HEATH

Samuel Heath and Sons has bought Dartmouth Pottery, a privete company, for £265,100 casb.

Metal Box acquisition

Metal Box has acquired the Mannfacturing Engineering Company (Blackburn) which is cbanging its name to MEC Holdings. Metal Box has acquired the minority holding in that company's subsidiary, Mec Pressings (Blackburn), a metel fabricating company specialising in deep-drawn steel components.

The consideration is between £2.5m and £3m dependent upon profit for the current year, and will be satisfied hy £347,567 Metal Box ordinary stock, unquoted debentures and casb.

BLUE CIRCLE

Blue Circle Southern Cement continues to gain acceptances for its offer for Swan Portland Cement of Perth, Australia. By September 23 (the closing date), Blue Circle hed received acceptances for 90.86 per cent of the available equity, increasing its total holding to 96.04 per cent. Blue Circle will now acquire the remaining shares.

BOVIS S.E. ASIA

Bovis South East Asia BHD has requested the Singapore and Kuala Lumpur stock exchanges to temporarily suspend trading in its shares.

Its parent company, P & O Asia (Holdings) of Hong Kong, has advised Bovis that discussions are taking place which may affect P & O Asia's shares.

Bovis asked for the temporary suspension pending news of the outcome of these discussions and the effect, if any, on P & O Asia's holding of shares in Bovis.

P & O Asia is a wholly-owned subsidiary of the Peninsular and Oriental Steam Navigation Company.

Bovis South East Asia reported an unaudited group net loss of ringgit 575,000 (loss 6.31m) for the six months ended June 30 on turnover of ringgit 17.02m (12.43m).

Bovis South East Asia's parent company reported net losses of ringgit 1.3m (1.46m) on turnover of 7.32m (8.9m).

Continued beavy interest charges on group debt continued and represent the principal cause of the loss suffered.

DUPLE BUYS

Duple International has purcbased from T. I. Metsec the trade and assets used in its CKD vehicles division which manufactures single and double decker bus body kits in aluminium and steel.

The assets acquired, which have an estimeted book value of £785,000, include plant, equipment, stock in trade and debtors. The business will continue to be carried on under a lease at the premises at Oldbury, Birmingham.

Consideration is £500,000 plus a further amount up to a maximum of £235,000 to be calculated by reference to the profits of the business for the year to August 31, 1981. £100,000 has been paid on completion and £400,000 is payable on December 1. The balsnce is payabl eby December 31, 1981.

Net asset value of the business being acquired is some £385,000 after taking into account creditors of up to £400,000 which are excluded from the purchase. It is estimated that profit before tax will be approximately £120,000 for the year 1980. Should the same level of profit be achieved in the year to August 31, 1981 the additional consideration will be £85,000, making a total of £585,000.

THOMAS JOURDAN

Thomas Jourdan has recently completed the acquisition of a small business, Marlow Products, manufacturing packaging machines principally for pharmaceutical products.

The consideration is being satisfied by the issue of 57,000 ordinary shares in Jourdan. The shares will rank for the interim dividend payable on October 1.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Pentos, the industrial holding company, made an agreed £1.8m bid for English and Overseas Investments on the basis of eleven of its own shares for thirty of English and Overseas. The latter's main attraction to Pentos is its Athena art reproduction subsidiary.

Hawley Leisure, and certain Hawley executives, excluding the chairman, purchased 42.86 per cent of the ordinary shares of Kean and Scott, the loss-making furniture retailer and manufacturer, at 20p per share from the Kean and Scott chairman, Mr. M. Levein. In accordance with the Takeover Code, Hawley will extend an equivalent offer to the other shareholders which Mr. Levein is not to accept in respect of his remaining holding of around 8.3 per cent. Kean and Scott's share price doubled on the bid announcement, to 60p and is currently trading at around 70p.

Dealings in the shares of Gough Cooper were suspended on Monday at 127p pending details of an approach to the company which may lead to a higher offer than the unwelcome 120p per share cash bid from Starwest Investment.

Games and packaging and printing group John Waddington is selling Valentines of Dundee, the quality greeting cards concern, to Hallmark Cards of the U.S. for £3.97m cash.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
B & Q (Retail)	85*	84	66	1.66	F. W. Wlwth.	29/9
Christy Bros.¶¶	30*	40	33	0.60	Simon and Coates	—
Coral Leisure	89	89	65½††	83.51	Grand Met.	—
Eng. & O'seas Inv.	16¼	15½	14½††	1.70	Pentos	—
Gough Cooper	120*§	127††	102	6.65	Starwest	—
Kayser Bondor	100*§	46	56	0.67	Courtaulds	—
Kean and Scott	20*‡	75	31	0.36	Hwly. Leisure	—
Laurence Scott	67	68	60	4.58	Mng. Supplies	—
Le Bas (Edward)	85*	82	53††	2.13	Burch Hldgs.	—
Lidstone	280*	305	290	0.51	Security Exchange	—
Macanie (Lond.)	30*	30	23	0.38	Courtaulds	—
Marshall Cavendish¶¶	31*	31	27	4.60	Times Publshg. Berhad	—
Progressive Secs.	112†‖‖	109	91	2.51	Hawley Leisure	—
Revertex	52§	44	44	7.40	Yule Catto	—
Taujong Tin	115*§	120	115	1.20	Pahang Cons.	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on 26/9/80. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional. ‖‖ Based on NAV of 104.8p.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
A. B. Electric	June	918	(1,375)	17.8	(30.1)	7.5	(7.0)
Amber Day	May	710	(1,802)	3.5	(8.6)	2.86	(2.8)
Armstrong Equip.	June	8,839	(8,753)	14.4	(17.0)	2.73	(2.8)
Bailey (Ben)	June	483	(395)	4.6	(10.4)	1.44	(1.2)
Barratt Devlps.	June	24,760	(18,200)	55.3	(49.1)	12.35	(10.25)
Blue Bird Confec.	June	334	(553)	4.8	(13.9)	4.35	(3.78)
Celtic Haven	March	282L	(71)	—	(0.8)	—	(—)
Dowding & Mills	June	1,830	(2,040)	3.6	(4.7)	1.65	(1.5)
Emess Lighting	June	345¶	(—)‖	30.5	(—)	6.0	(—)
Estates Prop.	April	2,090	(1,390)	7.0	(4.6)	6.25	(4.25)
Ferry Pickering	June	1,430	(1,310)	9.7	(11.0)	2.6	(2.2)
Galliford Brindley	June	3,160	(2,870)	15.7	(15.2)	4.63	(4.13)
HTV Group	July	3,580	(4,090)	19.6	(22.7)	10.0	(10.0)
Hunt & Moscrop	June	258	(931)	0.9	(3.0)	0.9	(0.9)
Makin (J. & J.)	March	1,180	(1,110)	30.4	(29.0)	3.0	(3.0)
Marler Estates	March	266	(25)	5.8	(0.5)	2.0	(—)
Mills & Allen	June	10,100	(7,200)	49.6	(38.5)	15.0	(10.9)
Park Place Invs.	June	681	(675)	7.8	(10.1)	3.5	(2.8)
Ricardo	June	1,200	(1,100)	43.6	(43.4)	7.7	(7.0)
Singlo Holdings	March	695	(95)	2.5	(—)	0.78c	(0.52)
Telefusion	April	980	(1,730)	2.1	(3.1)	1.5	(1.5)
Walker (James)	April	4,020	(3,440)	17.9	(9.4)	4.0	(2.92)

Scrip Issues

Barratt Developments: One for four.

Mills & Allen: One for ten.

Park Place Investments: One-for-six.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Aberdeen Constct.	June	1,120	(846)	2.3	(2.1)
Amal. Metal	June	7,270	(3,870)	3.0	(3.0)
Anglo-African Fin	Jan.	77	(105)	—	(—)
APV Holdings	June	7,410	(7,712)	2.8	(2.8)
Asthury Madeley	June	705	(525)	1.0	(0.67)
Aurora Holdings	June	2,060	(2,610)	1.55	(1.55)
Bank of Scotland	Aug.	20,883	(20,388)	8.0	(7.25)
Barlow Holdings	June	1,910	(1,560)	1.0	(1.0)
B.A.T. Ind.	June	202,000	(210,000)	6.5§	(6.0)§
Beatson Clark	June	265	(780)	2.0	(3.0)
Berkeley Hambro	June	2,100	(1,960)	3.0	(2.5)
Bridgewater Ests.	June	468	(355)	4.5	(4.5)
Brixton Estate	June	1,625	(1,699)	1.46	(1.23)
Brooks Watson	June	224‡	(1,020)‡	0.35	(0.75)
Brown & Jackson	June	1,390	(2,380)	4.0	(4.0)
Cakebread Robey	June	312	(285)	0.6	(0.6)
Clyde Petroleum	June	996	(757)	—	(—)
Copydex	June	13†	(119)	—	(1.0)
Crosby House	June	59	(110)L	—	(—)
Davenport Knit	June	469	(344)	—	(—)
Dcknsn Robinson	June	10,800	(12,500)	3.0	(3.0)
Dunlop	June	15,000	(18,000)	2.65	(2.65)
Elbar Industrial	June	394L	(901)	1.0	(4.0)
Estates & Gen.	June	478	(469)	0.55	(0.55)
Execulex Clothes	June	96	(80)	0.73	(0.67)
Fisons	June	5,300	(7,500)	6.9	(6.9)
Carner Scotblair	July	348L	(703)	2.4	(2.4)
Glossop (W&J)	July	280	(187)	1.58	(1.58)
Grattan Warehes.	Aug.	2,040	(2,460)	1.67	(1.87)
Haden Carrier	June	1,690	(1,150)	3.6	(3.25)
Hanger Invs.	June	107	(1,719)	—	(1.25)
Harris & Sheldon	June	1,230	(1,500)	1.25	(1.25)
Hoskins & Horton	June	247L	(338)	—	(3.0)
Howden (Alex.)	June	11,130	(11,090)	3.5	(3.5)
Hurst (Charles)	June	204	(611)	1.33	(2.66)
Lane (Percy)	June	405	(86)	1.0	(0.75)
Mackay (Hugh)	June	336L	(374)	—	(1.4)
Manders Hldgs.	June	1,450a	(1,300)a	1.3	(1.2)
Manor National	June	21L	(723)	—	(1.0)
Menzies (John)	Aug.	611	(1,170)	2.5	(2.0)
Morrison (Wm.)	Aug.	2,020	(1,920)	0.7	(0.7)
Newarthill	April	5,470	(5,160)	—	(—)
Newey Group	June	65L	(43)L	—	(—)
Office Electronic	June	1,370	(1,480)	2.5	(2.5)
Parrish (J. T.)	Aug.	1	(49)	—	(—)
Ransomes Sims	June	1,660	(1,210)	3.14	(3.14)
Rolls-Royce Mtrs.	June	1,240	(4,580)	—	(—)
Rowan & Boden	June	371	(320)	1.0	(0.9)
Sale Tilney	May	710	(755)	3.5	(3.15)
Samuel (H.)	Aug.	2,820	(3,220)	—b	(0.73)
Sandhurst Mrkt.	July	246	(220)	0.64	(0.59)
Silvermines	June	756‡	(784)‡	1.0	(1.0)
Spear & Jackson	June	824	(953)	3.58	(3.58)
Stag Furniture	June	844	(1,690)	1.75	(1.75)
Stewart Wrghtsn.	June	1,490	(2,550)	3.85	(3.85)
Streeters	June	147	(394)L	—	(—)
Sunlight Service	June	534	(459)	0.55	(0.5)
Sykes (Henry)	June	142	(575)	—	(1.5)
Tarmac	June	13,560	(7,490)	5.5	(5.0)
Tootal	July	2,030	(6,420)	1.1	(1.1)
United News	June	2,400	(4,280)	4.5	(4.5)
Vickers	June	12,620	(6,390)	4.55	(3.85)
Wace Group	June	91	(175)	0.72	(0.96)
Wlknsn. Warbrtn.	June	174	(366)	1.94	(1.94)
Wills (George)	June	553	(603)	1.5	(1.2)
Wimpey (Geo.)	June	9,400	(8,400)	0.85	(0.75)

(Figures in parentheses are for corresponding period.)

* Dividends shown net except where otherwise stated. † Before severance cost of £42,000 in connection with former director. ‡ In IR£. ¶ For 15 months. ‖ No comparable figures. § Second interim. a Total profit. b To be declared in January. c Interim dividend. L Loss.

Rights Issues

Brixton Estates: Rights issue on the basis of one for four at 115p to raise £15m.

Mills & Allen International: Rights issue on the basis of one for five at 280p to raise £5.1m.

A. & J. Mucklow: Rights issue on the basis of one for one at par to raise £6.35m.

Pict Petroleum: Rights issue on the basis of one for three at 260p to raise £3.76m.

Ricardo Consulting Engineers: Rights issue on the basis of one for four at 370p to raise £2.55.

Williams & James fails to meet budget

THE effects of the recession in the principal markets of Williams and James (Engineers) have proved greater than expected six months ago and this manufacturer of specialised air compression and hydraulic equipment has finished the first half of 1980 with sharply reduced pre-tax profits of £27,567, compared with £478,270.

The group fell into loss in the second half of 1979 with a pre-tax deficit of £26,160 but the directors said in March that with orders at near-record value, they expected to be able to improve on last year's total profit of £452,110.

They now say that the forward order situation is difficult to assess. Intensified competition is faced in the construction sector from imports favoured by strong sterling, although prospects in gas and air compression show some improvement.

And they warn that the payment of an interim dividend — held this time at 1.155p — should not be taken to indicate that the final will be maintained at last year's level of 2.569p.

First-half sales slipped from £3.95 to £3.72 and there was no tax charge, against £26,005 last time. Stated earnings per 25p share are 0.48p (24.07p).

The directors say a significant reduction in the level of operating expenditure has now been achieved to adjust capacity to reduced demand.

Sheffield Twist falls to £0.69m

FOR THE half year ended June 30, 1980, profits of Sheffield Twist Drill and Steel have fallen sharply from £1.42m to £692,000. Turnover of the group, a subsidiary of Aktiebolaget SKF, rose by £1.7m to £15.43m.

The directors report that the inflow of orders has been substantially below the capacity of the factories, and profit has been reduced by high interest rates and the effect of the sterling exchange rate on exports.

This has made a reduction in the workforce necessary.

In 1979 the group made a profit of £2m.

James Dickie holds profit and interim

The forge side of James Dickie (Drop Forgings) is in a temporary loss situation because customers' schedules are still being reduced, the directors report. The foundry, however, is still profitable.

Profit for the half year ended April 30, 1980, improved a little from £99,876 to £106,618 and the interim dividend is maintained at 2.438p. It is difficult, however, to make a reliable forecast for the future; the directors stress.

A concerted drive for a reduction in costs has been instituted, which, apart from other measures, has meant some redundancies and short-time working.

Turnover in the first half moved up from £1.97m to £2.57m. After tax of £55,441 (£51,935) the net profit came out at £51,177, comared with £47,941. In the full year to October 31, 1979, profit before tax was £224,000 and the total dividend 4.876p.

Intervision dealings on Monday

Trading in the shares of Intervision Video (Holdings), formerly John Baker (Insulation), is to begin on Monday following a £1.5m placing of new shares at 15p a share and the launching of a rights issue to raise £466,000.

John Baker shares were suspended under Stock Exchange rule 163(2) last July pending a capital reorganisation and alteration of the company's business.

Intervision Video, which rents and sells video cassette films, has been purchased for £1.35m in cash and shares. Intervision warranted that trading profit would be £400,000 in the year to end on February 28, 1981.

Since then, Intervision has arranged to purchase the rights to distribute 20 major films from United Artists Corporation for a minimum royalty of $25m. In another deal, it has bought rights to major Thorn-EMI titles.

The company expects that the consequent broadening of its film library, until now concentrated in westerns, horror and action films and soft pornography, will attract a wider, general customer base.

Mr. John Bentley, chief executive of Intervision, declines to make a specific profit forecast but said yesterday the company believes it can pay the United Artists contract in full within nine months.

Meanwhile, Mr. John Baker is planning to sell his 12 per cent interest in Intervision and to buy back the insulation business which had a trading loss of £68,000 last year.

The Intervision rights issue has been underwritten by Rowe Rudd who have also arranged the placing.

HILLARDS SALES HOLDING UP

Turnover of Hillards was still being maintained at the higher level reported earlier this month, Mr. Gordon Hunter, chairman, told the annual meeting.

The new store at Idle, Bradford, will open in the spring, and have a selling area of 25,000 sq. ft. Building work was about to start on a store of a similar size at Worksop, Nottinghamshire, due to open next autumn.

SPAIN

September 26	Price %	+ or −
Banco Bilbao	245	+5
Banco Central	270	+2
Banco Exterior	212	+2
Banco Hispano	232	+5
Banco Ind. Cat.	120	
Banco Madrid	141	
Banco Santander	275	+4
Banco Urquijo	139	+3
Banco Vizcaya	253	+5
Banco Zaragoza	248	
Dragados	111	+1
Espanola Zinc	72	
Fecsa	64.2	+0.5
Gal. Preciados	31.5	
Hidrola	66.7	
Iberduero	65.7	+0.2
Petroleos	113	+1
Petroliber	90	
Sogefisa	102	
Telefonica	63.5	
Union Elect.	68.5	

S. Casket down £1m for year

ON TURNOVER down from £16.86m to £15.94m, taxable profits of S. Casket (Holdings), clothing distributor and retailer, plunged to £326,074 in the year ended June 30, 1980, against £1.39m.

At midway, there was a surplus of £201,000 (£615,000) and the directors said that because margins and profits were hard-hit they did not expect any improvement in the second half. They forecast the situation to be short-term though, and were confident that the group would resume a steady upward trend in profits.

The pre-tax profit is struck after a sharp jump in interest charges from £34,729 to £337,290, but before a tax credit of £114,336 (£691,755 charge).

Stated earnings per 10p share are down at 4.09p (6.75p) but the net dividend is held at 1.75p with a final of 1.25p.

Southampton Steam over £0.5m midway

The Southampton, Isle of Wight and South of England Royal Mail Steam Packet Company made progress during the half-year to June 30, 1980, and its pre-tax profits have climbed from £343,137 to £531,571. Turnover rose from £2.61m to £3.21m.

In his annual report, the chairman said the board did not expect to continue the steeply upward trend in profits of recent years, but 1980 results should come well within the bracket of those for 1978 and 1979 when the pre-tax profits were £940,000 and £1.43m respectively.

The first half figure includes the sale of fixed assets amounting to £111,533 (nil) and interest and dividends of £143,098 (£77,912). There was a tax charge of £276,417 compared with £178,431.

The interim dividend is unchanged at 4p—last year's total was 13.5p.

DOLLAR LOAN

Scottish American Investment Company has negotiated a further loan of U.S.$10m Morgan Guaranty Trust Company maturing on August 27, 1984.

UK NEWS

Profits shine for gold dealers

London's gold traders have emerged as beneficiaries of the sharp rise in the price of the precious metal this year. DAVID MARSH looks at their results and prospects.

THE BENFITS of this year's surge in the gold price have been fairly thinly scattered.

Three groups in particular have profited: South Africa and the Soviet Union, the two main producers; investors who have been fortunate or frightened enough to lay their hands on the stuff at the right time; and the central banks around the world which are estimated to own around 30 per cent of the total amount of gold ever dug out of the ground.

During the past few weeks, however, it has become clear that there is a fourth category that has also done rather well out of the bullion bonanza.

The big trading houses on the London gold market have been turning in sharply increased profits as a result of the spurt in activity on both gold and silver markets during the first half of the year.

If turnover continues around the high level registered during the past few weeks, the chances are that second half profits will be very healthy as well.

Five bullion houses are members of the London gold market, taking part in the twice-daily bullion "fixings" which through the year have become the stadard yardstick of the price of the yellow metal.

Johnson Matthey Bankers is the banking and bullion subsidiary of precious metals refiner Johnson Matthey, which has announced sharply higher profits for both the first and second quarters of this year, mainly because of the price advances.

Sharps Pixley, owned by merchant bankers Kleinwort Benson, made "exceptional" profits during the first half, according to Kleinwort's interim statement this week.

Standard and Chartered Bank's precious metals subsidiary Mocatta and Goldsmid also chalked up big profits in the first few months this year, accounting for an important chunk of the 41 per cent first half profits increase announced by its parent company earlier this month.

The other two members of the gold dealers' magic circle, N. M. Rothschild and Samuel Montagu —owned by Midland Bank—have not yet indicated how first half profits fared. But the bullion market has no doubt that these two have also benefited handsomely as well.

Mr. Michael McWilliam, Mocatta's chairman and deputy group managing director of Standard Chartered, says bullion dealers have increased profits as a result of the increase in turnover during the first few months of the year, and because of the wider dealing spreads registered during times of market turbulence.

Like all the other participants in the secretive precious metals business, Mocatta is not too keen on giving precise figures. But Mr. McWilliam says all Mocatta's three profit centres—in London, New York, and Hong Kong—made "unprecedented" profits in the first half.

Particularly on the New York silver markets, rocked by the Bunker Hunt affair earlier this year, activity was "quite fantastic." When the silver price collapsed in the early spring, "a lot of people retired hurt and margins increased dramatically."

According to Mr. McWilliam, when turnover increases, profits go up practically in tandem—"but so do the ulcers."

Bullion dealing is much more risky than foreign exchange. To guard against the danger of price fluctuations sparking off losses, Mocatta balances its bullion-dealing books at the end of each trading day, and also places strict limits on risk exposure throughout the day.

One factor behind increased demand for gold, the Mocatta chairman says, is that central banks around the world have stepped up their interest in the metal, as part of a general trend towards more active management of reserves.

Compared with the size of profits from international bullion dealing, Standard Chartered has hardly been coining it from its efforts—started at the beginning of the year—to sell small gold bars to UK investors.

APPOINTMENTS

Vickers group Board posts overseas

Mr. C. W. Foreman, has been appointed a director of VICKERS HOLDINGS PTY. and VICKERS AUSTRALIA. Mr. Foreman is chief executive of the newly-formed Vickers Limited International Group.

★

Mr. R. C. J. East, deputy managing director, has been appointed managing director of the ETAM GROUP.

★

Mr. Andrew S. Brode has been appointed chairman of the MAIL USERS' ASSOCIATION in place of Mr. Robin Fairlie. Mr. Brode is managing director of Croner Publications.

★

Mr. R. Milner has become managing director, and **Mr. F. A. Galvin**, sales director, of MOORES INTERNATIONAL FURNISHINGS, Darlington.

★

Mr. Peter J. Paxton has been appointed chairman of FC FINANCE, the hire purchase subsidiary of the Co-operative Bank. He succeeds Sir Arthur Sugden, who recently retired as chairman of the Co-operative Bank. Mr. Paxton is chairman of the CWS—the ultimate holding company of FC Finance—and of the Co-operative Bank. He has been chief executive of the Cambridge and District Co-operative Society since 1972.

★

Mr. Gerald A. Bricker has been named vice-president of CITY NATIONAL BANK, of Detroit, Michigan. He will be responsible for corporate paying agents and trust operations for the bank.

★

Mr. Robin Bryant, Mr. Andrew Davison and **Mr. Simon Metcalf** have been appointed directors of COUNTY BANK from October 1. On the same date **Mr. Peter Binder, Mr. John Cummings, Mr. Roger Looker** and **Mr. John Richardson** become assistant directors.

★

Mr. R. Milner has become managing director, and **Mr. F. A. Galvin**, sales director, of MOORES INTERNATIONAL FURNISHINGS, Darlington.

★

Mr. Denis Hodgetts has been appointed chairman of HILL AND SMITH following the death in an air crash of Mr. T. Hampson Silk. Mr. Hodgetts continues as group managing director.

★

Mr. Geoffrey Eccles has been appointed pipelines engineer for BRITISH GAS.

★

Mr. James M. Smith, formerly a managing director of Morgan Stanley, has been appointed president of DUSCO INC., and director of U.S. LEND LEASE INC.

★

Mr. David Flatman, personnel and administration director of the HAMLYN PUBLISHING GROUP, has been elected to the main Board.

★

Mr. J. G. Symons has been appointed a director of the MOUNT LYELL MINING AND RAILWAY COMPANY.

★

Mr. Derek E. Walkden has been appointed a director of ACCRAPAK SYSTEMS of Risley. He was previously with Francis Shaw and Co.

★

Mr. David W. Arundale (UK) and **Mr. John P. Osorio** (UK) and **Mr. Roger D'Orglandes** (France) have been appointed to the board of RIPOLIN, which is 76 per cent owned by CdF Chemie of France.

★

Mr. Brian Shenton has been appointed finance director of BACOFOIL, a subsidiary of the British Aluminium Company. He was previously commercial director of Bacofoil.

★

Mr. E. Duclert, director general of Vandendliessche, and vice-president of the French Cotton Union, has been elected president of EUROCOTON, the committee of the cotton and allied textile industries of the EEC, for the next two years.

★

Mr. Neil T. R. Salvesen has been elected chairman of the TEXTILE CONVERTERS' ASSOCIATION, succeeding Mr. Peter W. Goodrick.

★

Viscount Caldecote, chairman of the Delta Metal Company, has been appointed a vice-president of the ENGINEERING EMPLOYERS' FEDERATION.

BOOKS

'Guts is all'

BY MALCOLM RUTHERFORD

The Castle Diaries 1974-76. by Barbara Castle. Weidenfeld and Nicolson. £14.95. 832 pages

The publication of political diaries by former Ministers is becoming a habit. Sir Harold Wilson has given us his personal record of the governments which he led, though he was more complete on the period 1964-70 than on his return to office in 1974-76. He was outdone by the late Richard Crossman who provided a degree of detail that was regarded as scandalous at the time. It is hard to appreciate now that before Crossman people used rarely to speak of Cabinet Committees in public. The latest example is Mrs Barbara Castle who has plainly modelled herself on the Crossman tradition. Har first volume covers the years 1974-76 when she was Secretary of State at tha Department of Health and Social Security until she was dismissed by Mr. James Callaghan on his becoming Prime Minister.

Mrs. Castle's book is full of ironies, not the least of which is her well-meant remark when Crossman was incurably ill that she should have the laugh of him: "For I would be writing the second diary: the diary of the third Labour Government which would make the fears and frustrations *his* diary would reveal seem old-fashioned." That is on page 61. It is not quite clear on which of the remaining 700 or so pages disillusion finally sets in—perhaps never—but it is plain enough to the reader that Mrs. Castle is telling the same old story: of a Government beset by short-term economic crises, frequently overtaken by events, internally divided and unable to stand back and take stock of what is going on. When she complains of the frustrations of a 15-16 hour working day and of Cabinet Committee meetings inadequately prepared because Ministers have not had time to read their briefs and often resort to sending their juniors, she is echoing Crossman almost to the word.

Other ironies abound. For example, Mrs. Castle told the Cabinet on January 21, 1975, in a discussion on the EEC referendum that she "wasn't going to let such an unimportant thing as the Common Market wreck my political work or my party's socialist unity." Yet a good deal of the rest of the book is a description of her efforts to get Britain out, though when probed it appears that her intellectual convictions are not all that deep. When her husband Ted later becomes a Member of the European Parliament and admits that, despite his anti-Market campaigning, he has never been much moved by the argument either way, she notes the irony of his position but not her own.

The supreme irony, however, is Mrs. Castle's reluctance to note how little was different in 1974-76 from her previous period in office or from practically all post-war governments. She writes as if past failures had not taken place or, if they had, the lessons had been learned. It does not appear to have occurred to her that many of her predecessors had spent their time dealing with exactly the same problems of nurses' pay and rising public expenditure against a faltering economic performance.

If she had had the time or the inclination to sit back and think, she might have concluded that something more basic was wrong. As it is, her tendency is to blame the Treasury for providing inadequate information about the state of the economy at a stage when it was too late for Treasury advice to be gainsaid. There may be something in the complaint, but there is also a wider point that a Labour Government in particular ought to think more deeply about how to distribute resources that turn out to be less lavish than expected.

One of the problems was that Mrs. Castle was a good Departmental Minister: she describes herself several times as Harold Wilson's best. That meant, among other things, that she fought her corner for funds and usually won. But it was precisely the concentration on her own department that deflected attention from the state of the economy as a whole. True, she did put up proposals for placing more emphasis on the social wage and for more detailed economic discussions. Yet it is doubtful if she ever realised how bad the economy was, nor what failure to achieve economic growth was doing to the Labour Party. "In politics," she writes, "guts is all." It was for her.

The now familiar quarrels were going on all round her. The Party's National Executive Committee was asserting its role in government policy-making. Mr. Roy Jenkins was apparently already dreaming of coalitions, and Mr. Wedgwood Benn (whom Mrs. Castle distrusted) was up to his intrigues, but at no stage did she think that this was anything other than normal. What she describes is a government a good deal more chaotic than even she appreciated. The Party, in fact, had already run out of ideas, but seemed not to notice at the time.

None of this should detract from the book. The reader will find plenty of interest: Mr. Benn's defence of Concorde, for example, and Dr. David Owen's desire to go to the Treasury ("We really have to be tougher over public expenditure.").

Barbara Castle: life's little ironies Terry Kirk

There are also some astute political judgements. Mrs. Castle foresaw Mrs. Thatcher's populist appeal at once and is as revealing as anyone has ever been about Mr. Denis Healey who is described as "not pulling his factual punches while remaining in tune with the trade union mood." Mr. Healey comes out rather well. On the other hand, like most of us, Mrs. Castle was wrong about Mr. Callaghan. He turned out to be a much better Prime Minister than his previous handling of portfolios had given any reason to expect.

In the end, however, there is probably less to political diaries than meets the eye. It has become fashionable to say that they are a contribution to open government. Well yes, up to a point. The best contribution to open government is in fact open government. If the Labour Government had gone public about some of the problems which beset it in the mid-1970s—public expenditure, for instance, and rising expectations—we might all be much the wiser and more capable of making choices within limited resources. That was what Mrs. Castle was groping after. At one stage she remarked that a particular Cabinet debate on the economy should have been held in public, yet she remained too close to events to insist on her point.

Former Conservative Ministers have not yet taken to writing in this way, but one suspects that their story would be much the same: a record of trying to cope with rising expenditure, inflation and the exchange rate and too little opportunity to think. After Wilson, Crossman and now Castle we ought to accept the conclusion that Ministers need time off from their departmental duties in order to take a longer perspective. They might even find time to talk to each other. The system described here does not work very well.

Mr. Waugh's epistolary mode

BY GEORGE MALCOLM THOMSON

The Letters of Evelyn Waugh edited by Mark Amory. Weidenfeld and Nicolson, £14.95, 664 pages

First of all, a word of warning. This compilation is largely written in a private language which it will be just as well to learn at an early stage. For instance, characters named Ran, Honks, Frisky Trim, Pig, Pug, Blue Feet, Jerk (the late Earl of Avon) keep recurring and it is inconvenient not to know about, or, more likely, *against* whom the great epistolist is writing. A study of pages 52-54, on which appears a letter of 69 lines with 60 lines of explanatory notes will show the scale and nature of the problem.

Secondly, these letters (840 selected from a total archive of 4,500 and containing 150, potential libels, later reduced, the editor thinks, by about 50) cover the period between the Bright Young Things and the Cold Waugh, when, sunk in Somerset, the author saw "before his eyes the darksome hounds of a falling world." (Adam of Bremen, if you don't know) and even the Roman Church, after Vatican II had let him down.

Thirdly, the editor, Mark Amory, has set about his gigantic task with verve, a few well-defined principles and a laudable readiness to sail reasonably close to the wind of libel. The result is an enjoyable book sparkling with wit and venom, an inadvertent, candid self-portrait of the man and a searing picture of a small, self-indulgent and feverish section of English society.

Yesterday's gossip is tomorrow's history, otherwise why do we read Pepys, Walpole, Boswell? Waugh's letters are the recognisable work of an inspired gossip-writer who was also a master distiller of economical English. The painter of that incomparable gallery of cads, the Basil Seals and Peter Pastmasters, is never far away. Here are the odious originals of these comic monsters, here are the hostesses they slept with, whose jewels they pinched!

And here, above all, is the artist himself, bigoted; a professional snob who did not drop names, he showered them; cantankerous, censorious, the only man in England as rude as Randolph Churchill; here are his hatreds: Picasso, Communism, "frogs" (French), Tito—who, he pretended to believe, was a woman: "her face is pretty, but her legs are *very* thick." Here are his admirations, fewer but just as fervent —(e.g. Wodehouse; Erle Stanley Gardner; the paintings of Augustus Egg). All of which, it may be said, we knew before. Quite so. But other facets come out, too: an affectionate husband and father, a generous friend, delighting to entertain with sprightly satire, while remaining profoundly sad.

The richest hoard of letters are those to Nancy Mitford—what one would give for *her* letters to him!—with those to Lady Mary Lygon and Ann Fleming following. To Betjeman, he is apt to be boring and theological.

Here is the first appearance of the girl he married:

"I have taken a great fancy to a young lady named Laura, fair, very pretty, rather long thin nose, very thin and might be dying of consumption to look at her, virgin, Catholic, quiet and astute."

In the next letter he reports that his visit to London with Laura was not a success: "I had a hangover and I was sick a good deal on the table, so perhaps that romance is shattered." It was not.

From St. James' Club during the war, this glimpse of patrician manners:

"Ran Antrim is losing his reason. He now sits staring fixedly at the members coming and going making very loud comments on them to himself: 'That's not a member. What's more, he's not a gentleman. That man has no neck. Those two look like card sharpers to me. What a gang of shits.'"

Brave in the war, stoical under what he called the Attlee Terror, Waugh's spirit was later touched with moroseness. The society he knew was vanishing. The retreat from folly was turning into a rout and the black patrols of Farm Street were out to pick off the stragglers. Then came Vatican II ("the buggering up of the Church is a deep sorrow to me").

Old age approached with its attendant miseries—deafness, dentures and the decease of friends. "The last 10 months have been ineffably dreary—my only excursions to dentists and to funerals and my house perpetually full of grandchildren." His letters appealing for gossip become more and more desperate and the flashes of humour grow rarer. The long love-hate duel with Randolph Churchill ends in reconciliation. White's ("that glorious place") becomes a temptation in which he cannot so often indulge.

The last scene was wonderfully appropriate. On Easter Day, 1966, after Mass (in Latin), Waugh suddenly (as he would have put it) kicked the bucket. So—all's well that ends well.

The letters, meticulously edited, are a fountain of delight.

Assortment of assignments

by ALAN FORREST

Foreign Correspondent by Ian McDougall. Frederick Muller, £7.50. 196 pages

Mr. McDougall of the BBC describes himself as "a ping-pong ball on the endless fountain of events": his apt description of a foreign correspondent. He is nicely irreverent about the job, and his book is a tonic to homebound journalists who occasionally wilt at their foreign-based colleagues' assumption that they are God's gifts to the craft.

He has laboured in the vineyard for 33 years—starting in Paris and ending in Paris—and makes it all sound jolly interesting without the slightest touch of the Sefton Delmers or even the James Camerons. If I had a son desirous of pursuing what Kipling called "the old Black Art" overseas, this is the book I would probably give him as required reading.

He starts in 1947, fresh from army service and university, as a lowly employee of Agence France Presse, soon to be made redundant, and then joining the BBC — "an octopus which shakes your hand limply with one tentacle and simultaneously slaps you wetly over the face with the other." Service with the Corporation took him to Vienna, New York, Africa, the Far East and pretty well all over the Communist world at the right time, or the wrong time, whatever you call the Prague Spring.

Of course, he was at the centre of events, but doesn't seem to have let it give him delusions of grandeur. He recalls lunching with Helmut Schmidt and Lord Chalfont in 1969. Schmidt, then West Germany's Defence Minister, told them he was intending to retire from politics for health reasons. McDougall and Chalfont didn't report it. Schmidt "may have been disappointed," McDougall says. "Politicians never understand why carefully planned leaks don't leak."

This a very likeable book. I enjoyed McDougall's confession of his "long-standing allergy" to press conferences.

"The standard pattern is that, as time goes by, the questions get sillier and sillier and the questioners more and more immersed in their own pet obsessions. Almost nothing of importance has ever been said in the last five minutes of any long press meeting, just as nothing of importance has ever been said by a VIP arriving at an airport—the one great exception being Kruschev's famous apology to President Tito at Belgrade airport. . ."

He records wittily his growing disillusion with the EEC bureaucracy when serving his masters in Brussels. He recounts his attendances at the "Midday Mass"—the correspondents' name for the daily press briefing and says that "listening to some shattering piece of information on the sugar content of Rhine wines, it was difficult to make the leap of faith necessary to get one's imagination off the ground.

The book is by no means all debunking. But the amusing hits overshadow the great events. As I've said already, it's a must for arrogant young recruits, who should drink in McDougall's phrase: "Foreign correspondents can be charmed, but they are hard to fool."

Born and bred in Thaxted

BY RACHEL BILLINGTON

Inherit the Earth: A Social History by Maureen Duffy. Hamish Hamilton, £8.95. 159 pages

Many of us pull out a strand of our family's history and wish, lazily, we knew more. Maureen Duffy, with extraordinary thoroughness, has pulled apart the whole tapestry, traced the almost untraceable and put it back together as a picture of one family. It starts with "a very distinct John in 1485" and continues to her own, still living, great-uncle Harry. Their name is Jarvis, their home, Thaxted in Essex. That is the centre of the pattern and the theme of the book.

Maureen Duffy makes great Uncle Harry's reply to her query, about why the Jarvises returned to their town, however poor a living it offered, the last line of her book: "They were born and bred there, duck, bred and born." This is, of course, why such a book is possible. The Essex Record Office in Chelmsford supplied the basic material for the book. If a Jarvis went to work in London he came back. If he went to fight in Salonica or Buenos Aires, he came back.

Maureen Duffy's attitude to such attachment is not entirely clear. Certainly this is no romantic picture of the rural working men of England. She sympathises with their appalling hardships on the land, pointing out that it was their ability to survive that made them so brave in the trenches or, when removed to the metropolis, so stolid in the Blitz. But she also notes that this had the effect of making their overriding aim material comfort.

Their culture was, "anti-imaginative and anti-sensitive . . . Too much thinking, it was believed, sent people mad. It certainly made them less able to cope with the constant struggle to live, in which there was no room for mistakes which might consume a week's baking or a hard-won piece of clothing."

The detail of Maureen Duffy's research has made this a difficult book to read. The names, Mauds, Lydias, Thomases, Roberts, so often repeated and used, indeed, by Ms. Duffy to illustrate the repetitive pattern of the tapestry are inevitably difficult to untangle. Besides this, her unflinching honesty in never allowing the lines of fact and fiction to blur means that *her cast of characters*, large as it is, must usually remain superficial. Often she has the barest record of birth, marriage and death to draw on.

Sometimes a snippet of tantalising information is added. Sometimes there is a will, giving a sudden insight into what was valuable to a society on the bread-line—clothes, cooking utensils. Sometimes a comparison of dates will suggest fascinating relationships: a love affair between a sister and brother-in-law, consummated the moment the wifely sister dies; a love child born to a girl hardly in her teens.

Behind such personal dramas Maureen Duffy places a background of history, though never allowing it to devolve into generalities. The result is rather like the sort of project so popular with schools. The precise but graceful drawings of the town reinforce this impression. Not so much to be read as chewed over. And well worth the grind.

Fiction

Harriet confused

BY ISOBEL MURRAY

The Sum of Things by Olivia Manning. Weidenfeld and Nicolson, £5.95. 203 pages

Human Voices by Penelope Fitzgerald. Collins, £5.25, 177 pages

A Short Time to Live by Mervyn Jones. André Deutsch, £6.50, 283 pages

Loosely Engaged: Further pages from the Diary of a Somebody by Christopher Matthew. Hutchinson, £4.95, 150 pages

Headlong by Emlyn Williams. Heinemann, £6.95, 287 pages

Surprisingly few of today's novelists are concerned to describe the great events of their time. Very generally, the English novel tends to specialise in individual characters, emotional conflicts, social comedy, domestic issues. But one notable exception to this rather sweeping description is the late Olivia Manning.

Her death this summer was a real loss to contemporary letters, and her large readership. Indeed, that sentence pinpoints one very significant feature of her writing: she achieved simultaneously critical acclaim and a wide popular success. One reason for this is her fine lucid prose style, with understated ironies and a marvellous ear for direct speech.

But another feature makes her unique. In the "Balkan Trilogy" and the "Levant Trilogy," of which this is the final volume, the personal experiences of her characters is inextricable from history, geography and the fortunes of war.

The title Olivia Manning gave to the sequence of six novels is indeed, *The Fortunes of War*. These books render unfamiliar aspects of the last war authentically. Here there are no hectic backdrops or glamorous battle scenes, but a convincingly random series of experiences which often concentrate wryly on anti-climax or forced inaction or confusion and chaos.

It is difficult to convey briefly the effectiveness and economy of the writing of *The Sum of Things*. A tiny instance: actor Aidan Pratt tries to persuade Guy Pringle to come and spend a week in Palestine: "Jerusalem is a lovely place, just like a Cotswold town." The next we hear of Aidan is that he has shot and killed himself on the train back to Palestine.

When Harriet Pringle receives the news, she is in an emotional turmoil of her own: she has just learned by chance that Guy, her estranged husband, thinks she is dead. It is understandable that Harriet is too confused to attend fully to the news of Aidan's death, but it is appalling to watch Guy's part in the affair.

The Pringles and Simon Boulderstone are the main characters in this volume. Simon was badly wounded at Alamein; he is young, brave and hopelessly in love. Unlike the Pringles, he seems to some extent representative of his generation. Harriet's view of things is the one which guides the reader to the important insights of the novel, and her view is both intelligent and imaginative. She comes to a more equable acceptance of Guy than this reader can do.

For Guy is a monster, and this is the more effective because it is not over-stressed. As he outrageously neglected his wife in the previous volume, here he affects to mourn her, then weeps with joy at their reunion — and proceeds to neglect her as before. The sorry limits of his personality finally allow Harriet to stay with him and yet be free.

Penelope Fitzgerald's *Human Voices* is also set during the Second World War, on the Home Front. *Human Voices* is an engaging account of life and work at the BBC early in the war. There is a bewilderingly large cast of characters, from Old Servants who understand the traditions and values of the BBC, to naive office juniors.

The interest of the novel lies especially in the splendidly evoked chaos of days and fragmentary characters. The plot concerns two Departmental Directors and two young girls in the Recorded Programmes Department. But the DPP has no significant part in the plot, at most he supports the RPD, and is wrongly credited with the pregnancy of Lise. And the RPD does not do anything either: he exists, wallowing in his self-concern, and occasioning the reactions of everyone else.

Which leaves Lise (above), pregnant. And giving birth too, before we are finished. And her successor, Annie, who inexplicably falls in love with the unspeakable RPD.

The real life of the novel is not here. It is in the canteens and the corridors, the forays in the dark beyond Broadcasting House and back, the ramshackle construction of bunk beds in the Concert Hall. All delicious and entertaining. But the characters are so many and so lightly drawn that a (quite enjoyable) re-read may be necessary before the reader is sure of the action.

Mervyn Jones's *A Short Time to Live* is difficult to summarise for different reasons: it relies on a labyrinthine complexity of plot to keep the reader's interest. The book opens at the funeral of Michael Kellett, a respected journalist who has died mysteriously on Tamatuvu, a remote Pacific island.

Those present at the funeral include the young widow, who illustrates children's books, and the first wife, another journalist. And there are four former schoolmates of the dead man—a smooth merchant banker, an actor, a Labour MP and a "studentish" man with a beard. And wives.

The book proceeds to activate this set of characters, and it purports to elucidate the death of the journalist and the significance of it all. Although much interaction takes place and the characters all discuss it very fully, both among themselves and with the elderly retired schoolteacher, nothing very considerable results.

Christopher Matthew's *Loosely Engaged* is subtitled "Further pages from the Diary of a Somebody." Like the original model, George and Weedon Grossmith's *Diary of a Nobody*, Mr. Matthew's work depends on a simple paradox. What the narrator means to convey to his readers and the real facts significantly differ. Here, the Somebody is an ageing young man about town. He is "loosely engaged" to the boss's daughter, and anxious in every way to succeed.

Individual reactions will clearly differ. I found the comedy palling quickly with repetition and predictability.

Headlong is Emlyn Williams's first novel. It is a variation on an old fantasy, like Mark Twain's *The Prince and the Pauper*. When the whole Royal Family is wiped out in a calamitous disaster, who will succeed, and what will happen? It is carefully set in 1935, and full of careful parallels with history. But the slow and laboured narrative quenches the fantasy and leaves an after-tase of heavy sententiousness.

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50	21	Armitage and Rhodes	22	—	1.4	6.4	9.1
173	92½	Bardon Hill	172	—	8.7	5.6	6.5
100	74	County Cars 10.7% Pf.	74	—	15.3	20.7	—†
101	63	Deborah Ord.	95	—	5.5	5.8	4.7
125	98	Frank Horsell	121	—	7.8	6.5	3.8
129	66	Frederick Parker	66	—	11.0	16.7	3.0
156	82	George Blair	82	—	3.1	3.8	—
84	45	Jackson Group	82	—	8.0	7.3	3.1
153	103	James Burrough	121	—	7.8	6.5	9.9†
310	242	Robert Jenkins	310	+ 6	31.3	10.1	—
232	175	Torday	220	—	15.1	6.9	3.7
34	10	Twinlock Ord.	11½	—	—	—	—
90	70	Twinlock 15% ULS	81	—	15.0	18.5	—†
56	23	Unilock Holdings	45	—	3.0	6.6	6.9
101	42	Walter Alexander	100	—	5.7	6.7	5.6
245	136	W. S. Yeates	240	− 1	12.1	5.0	3.9

† Accounts not prepared under provisions of SSAP 15.

CORAL INDEX: Close 480-485 (−3)

BASE LENDING RATES

A.B.N. Bank	16 %	■ Hambros Bank	16 %
Allied Irish Bank	16 %	■ Hill Samuel	§16 %
American Express Bk.	16 %	C. Hoare & Co.	†16 %
Amro Bank	16 %	Hongkong & Shanghai	16 %
Henry Ansbacher	16 %	Industrial Bk. of Scot.	16½%
A P Bank Ltd.	16 %	Keyser Ullmann	16 %
■ Arbuthnot Latham	16 %	Knowsley & Co. Ltd.	18 %
Associates Cap. Corp.	16 %	Langris Trust Ltd.	16 %
Banco de Bilbao	16 %	Lloyds Bank	16 %
Bank of Credit & Cmce.	16 %	Edward Manson & Co.	17 %
Bank of Cyprus	16 %	Midland Bank	16 %
Bank of N.S.W.	16 %	■ Samuel Montagu	16 %
Banque Belge Ltd.	16 %	■ Morgan Grenfell	16 %
Banque du Rhone et de la Tamise S.A.	16½%	National Westminster	16 %
Barclays Bank	16 %	Norwich General Trust	16 %
Bremar Holdings Ltd.	17 %	P. S. Refson & Co.	16 %
Brit. Bank of Mid. East	16 %	Rossminster	16 %
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Canada Perm't Trust	17 %	Schlesinger Limited	16 %
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Choulartons	16 %	Trade Dev. Bank	16 %
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Corinthian Secs.	16 %	Whiteaway Laidlaw	16½%
The Cyprus Popular Bk.	16 %	Williams & Glyn's	16 %
Duncan Lawrie	16 %	Wintrust Secs. Ltd.	16 %
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E. T. Trust Limited	16 %		
First Nat. Fin. Corp.	19 %		
First Nat. Secs. Ltd.	19 %		
Robert Fraser	16 %		
Antony Gibbs	16 %		
Greyhound Guaranty	16 %		
Grindlays Bank	‡16 %		
■ Guinness Mahon	16 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 14%. 1-month deposits 14¼%.
† 7-day deposits on sums of £10,000 and under 14%, up to £50,000 14½% and over £50,000 15%.
‡ Call deposits over £1,000 14%.
§ Demand deposits 14½%.

LONDON TRADED OPTIONS

Option	Ex'rcise price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP	330	56	—	78	5	88	—	385p
BP	360	25	8	52	25	68	—	
BP	390	9	22	30	35	48	4	"
BP	420	3½	17	—	—	—	—	"
Com. Union	160	15	4	26	5	29	—	177p
Com. Union	180	5	—	14	15	17	—	"
Cons. Gold	500	135	—	150	—	175	2	640p
Cons. Gold	550	85	65	130	1	132	—	"
Cons. Gold	600	40	45	92	6	115	2	"
Cons. Gold	650	15	8	62	56	85	—	"
GEC	500	33	2	62	—	80	—	"
GEC	550	8	11	35	20	52	—	514p
Grand Met.	140	14½	26	32	1	—	—	161p
Grand Met.	160	2	20	8½	10	17	—	"
ICI	390	1½	—	13	10	21	—	355p
Land Secs.	390	10	83	34	35	45	—	377p
Marks & Sp.	100	5	11	10	3	15	—	"
Marks & Sp.	110	2	—	6½	5	10	—	103p
Shell	360	60	3	76	—	—	—	"
Shell	390	30	38	54	—	72	—	425p
Shell	420	12	2	36	—	52	—	"
Shell	460	3	1	20	—	30	—	"
Totals			372		232		8	"
		November		February		May		
Imperial Gp.	70	9½	16	13½	—	—	—	76p
Imperial Gp.	80	4	60	7½	41	10	—	"
Lonrho	64	44	—	52	10	—	—	106p
Lonrho	84	24	—	32	3	—	—	"
Lonrho	94	14	11	22	—	—	—	"
Lonrho	104	9	3	16	18	—	—	"
Lonrho	114	4½	4	11	6	—	—	"
Racal Elec.	330	13	48	28	—	41	—	309p
RTZ	454	35	10	58	—	77	—	470p
Totals			153		78		—	

DIY AND HOME IMPROVEMENT 1

Throughout the 1970s, the do-it-yourself sector grew by leaps and bounds. Many companies were eager to break into this lucrative market, attracted by high margins and rapid growth. But the industry has not proved immune to recession, and competition is intensifying.

Growth prospects look less glamorous

FEW SECTORS of British industry have experienced the dynamic growth which has characterised the home improvement and do-it-yourself (DIY) market over the last decade. During the 1970s, when the UK's construction output was falling as a whole, home improvement provided one of the few stimuli to growth among producers of building materials.

At the same time the retailing side of the DIY business was growing by leaps and bounds. During the last three years in particular, DIY groups have distinguished themselves as being among tha most innovative and flexible in UK retailing.

Leading City analysts estimate that the size of DIY sales at the retail level was around £1.8bn last year, an increase of 25 per cent over the previous year and roughly three times 1973 levels.

However, it is important to note the difficulty of defining a total UK market in DIY and home improvement. The label "DIY" covers an enormous range of items, from paintbrushes and glues to wallcoverings and power tools and even self-assembly furniture. Another problem in delineating the sector is the differentiation between DIY in the house or flat and DIY in the garden or car.

There can be no doubt, however, that DIY in the UK has developed into a national activity of no small proportions. All over Britain, and in greatly varying age groups and socio-economic brackets, DIY has made its influence felt. Whether it is the simple installation of a double-glazed window or the most sophisticated garden-shed full of drills and saws and a variety of woodworking facilities, DIY is a pervasive phenomenon. Its broad range of activities and its universality has made the business almost irresistibly growth-orientated.

As one of the most lucrative and expanding consumer industries, DIY has in recent years presented opportunities to many companies whose traditional High Street or builder's supply business seemed to be facing limitations to growth. One of the main features which attracted a bevy of newcomers was the fact that gross margins in DIY can be significantly above margins elsewhere on the UK retailing scene.

But now that established namea such as Home Charm, A. G. Stanley, MFI Furniture and others have been joined by less obvious DIY operators, such as W. H. Smith, Comet Radiovision and F. W. Woolworth, the effects of the current recession are beginning to hit aven the glamorous DIY sector.

This experience has been shared on the supply side as well as in retailing, as customer de-stocking and a sharp fall in demand have reined back profits at groups such as Donald Macpherson, Aaronson Brothers and Melody Mills.

DIY SECTOR

ALAN FRIEDMAN

The extraordinary swiftness with which the squeeze on consumer spending bit the UK in late spring and early summer has now started to damage the once-buoyant prospects of some of Britain's leading DIY groups. In some cases the recassion will mean only a slowing of volume growth; elsewhere it could portend declining profits and even losses.

Disposable income has dropped sharply at a time when more and more UK companies are competing for a piece of a slower-growing DIY pie. Recent Department of Trade figures suggested a 1.7 per cent fall in the volume of UK retail sales from June to July. The current year has been marked by violent price-cutting campaigns and slashed trading margins, as well as the painful impact of dramatically higher interest charges.

Although the DIY and home improvement is not immune to the depressed state of the British economy this has not discouraged several leading UK groups from trying to "buy into" the DIY seetor. Such groups hope that an upturn is inevitable and that DIY will continue to be a growth area after the present economic squeeze has ended.

Perhaps the most famous example of a large UK retailing group attempting to buy its way into the DIY game was the recent expensive acquisition of B & Q, the DIY retail chain with 35 outlets, by Woolworth, the troubled UK retail giant. Woolworth paid about £13m of goodwill on top of B & Q's net assets of around £3m. Mr. Geoffrey Rodgers, chairman of Woolworth, described the move as a means of diversifying for the futura into the DIY trade.

He admitted that with the current difficulties in trading, Woolworth could use extra avenues of growth. But B & Q subsequently revealed that despite its own impressive growth record, sales in the half-year to July were up only 12 per cent while inflation was coasting at 17 per cent and overheads were rising fast. The implication was a decline in volume from one of the DIY sector's major success stories.

Last year there were a number of new entrants into the DIY game including W. H. Smith, Ready Mixed Concrete and Harris Queensway. In April 1979 Harris Queensway, a carpet retailer and discount furniture supplier, formed a new DIY division and began building up its network.

But thesa companies must be watching closely as tba recession hits both their more established competitors and newcomers. Donald Macpherson, which supplies 17 per cent of its paint output to Woolworth as "Cover Plus," recently saw its half-year trading profits fall by 30 per cent.

Furniture fittings and retail paint sales were caught by the downturn in consumer spending as pre-tax profits fell from £2m to £1.3m. Mr. Rex Chester, chairman of Donald Macpherson, said last week that there was no doubt but that the DIY business was depressed along with other retail operations. "The recession has arrived and it has arrived in a big way. The consumer has, for the time being, lost his or her nerve. DIY is no different from other parts of the trade," he said.

This view might well be shared by Aaronson Brothers, the maker of chipboard, veneers and plastic laminates, which has achieved a leading position with its brand names of Contiboard, Contiplas and others. Aaronson's pre-tax profits were hit last month by substantial de-stocking by DIY shops and fell 29 per cent to £1.43m in the first half of the year.

Mr. Peter Wright, the company secretary, explained that turnover was up but margins fell drastically because of higher interest rates and a slowing in the DIY market. "This business comes from people's surplus income and when the economy picks up, so will we," he said.

The evidence of a difficult period in DIY and home improvement mounted with the recent news of a decline in pre-tax profits from A. G. Stanley, one of the most firmly astablished DIY groups. With 270 outlets in the UK, Stanley is keenly attuned to the High Street. Mr. Malcolm Stanley, the chairman, said that the reason why his group's pre-tax margins had come off five points was fierce price-cutting, which began in earnest when Tesco began selling branded paint at cost-prices last apring.

Stanley's pre-tax earnings for the first half of the year fell from £1.2m in 1979 to just £800,000. Group mark-up has been reduced from 35 to 32 per cent since the end of last year. By the end of this year, Stanley's profits may have fallen by almost a third—from £3m pre-tax to as little as £2.25m.

Mr. Stanley agreed with industry analyst Bill Calder, of stockbrokers Earnshaw Haes, that a aector-wide rationalisation of DIY groups was now getting under way. Mr. Calder predicted last week that the next 12 montha could see a genuine shake-out among DIY companies.

It is true, of course, that with mortgage monay hard to obtain many house owners will want to upgrade their dwellings rather than move, thus aiding the DIY and home improvement business. But this argument presupposed that the British consumer has enough disposable income to spend on non-food items, which is not immediately apparent from current retail trading.

For the future, it seems reasonable to expect that the DIY sector will continue to grow, albeit in a possibly rationalised form. The smaller DIY groups could find that the financial commitments involved in expansion will become a heavier burden.

Bnt manufacturers of building aupplies and tools should be able to look to a brighter future as the DIY business carries on growing after the UK's economy pulls itself out of the present trough. Public sector growth is far less certain as grants for home improvement begin to seep away.

In the longer term, the DIY sector should be an exciting business. The development of new retailing styles such as the edge-of-town "superstores" has been pioneered by several DIY groups. But the short-term outlook cannot help but reflect the general recession. Once the economic squeeze is over it will be useful to remember that although times changes, screwdrivers and paint brushea are never out of style.

Tiles for two . . . tight mortgage money increases the desire for home improvement—but only if disposable income is sufficient

'Concept' approach aims to boost sales

THE DIY industry bas a remarkably wide manufacturing base. This mostly reflects the diversity of its product range but also stems from the relative immaturity of the industry, which has only really emerged into retailing prominance in the past half-dozen years.

Home decorating is the major product area. According to the London-based research organisation, Euromotor Publications, home decorating accounted for some 48 per cent of the £1.82bn estimated to have been spent on DIY products in 1979. Tools and wood products absorbed 38 per cent of spending, with repairs and accessories accounting for the rest.

Within these three broad product bands, Euromonitor's researchers pinpoint seven main individual sectors. The big four—furniture, wood and board, tools and paint—each account for some 12 per cent of the market. Wallcoverings are an important element, with some 9 per cent of spending, followed by doors (5 per cent) and plumbing (4 per cent).

Until 1976 paint was far and away the biggest selling product, but the boom in the late 1970s across a broad range of items, notably kitchen furniture, has radically altered the structure of the market. In the three years to 1979 total spending in the UK expanded from £0.81bn to £1.82bn, with the furniture market exploding upwards from £47m to £233m.

Over the same period the market in wood and board products is estimated to have grown almost as fast, expanding from £90m to £230m. Hand tools have moved up from £85m to £210m and the paint market has also kept comfortably ahead of inflation, roughly doubling in size from £107m to £200m.

Estimates of the growth of demand this year vary. Sales have weakened in line with the general decline in High Street spending and the trade has been hampered by a spate of price-cutting which is only now beginning to work its way out of the system. Competition from imports has remained fierce.

In the face of this challenge manufacturers have been moving progressively towards what the trade terms co-ordinated products—effectively matching colours and styles in a variety of products. This "conceptual approach" is aimed at boosting volume as well as restoring the industry's hard-pressed profit margins.

Profitability among the makers of furniture is showing obvious signs of stress. Kitchen Queen has moved heavily into the red this year. The company has had problems in its retailing division. But it also makes a wide range of kitchen furniture under the Di Lusso label where competition and the cost of writing off obsolete stock have forced Kitchen Queen into losses.

MANUFACTURERS

JEFFREY BROWN

Flanking Kitchen Queen as a major producer of self-assembly furniture is the Norcross group, which operates in this field under tba Hygena name. Burco Dean, Peerless and PMA Holdings also have a stake in furniture.

All the major timber groups have a substantial interest in the market. Home improvements are a major strength at Magnat and Southerns, which currently gets around 60 per cent of its sales in this form. The company's devalopment of retail outlets has been augmented by complementary product lines such as safety glass and pressed metal doors with high thermal qualities.

Best known perhaps for its tiles, the Marley group has extensive links with the trade. Home improvements now account for some 45 per cent of the company's total turnover. Refurbishing and renovation is becoming increasingly important to Marley's traditional roof tiling, flooring and PVC rainwater and drainage products.

The Reed group is the market leader in wallpaper, with around 10 per cent of the UK market; thet number two slot is filled by another multinational company, ICI. The only public company totally committed to making wallpaper is Melody Mills which, despite its lack of size and financial muscle, has managed to challenge the major producers successfully.

On the strength of product and design innovation Melody has become something of a market leader in the cheaper washable papers. A current promotional campaign under the Reflections brand name offers fashionable patterns and matching facilities in wallpapers, in contrast to the more costly vinyls produced by the major wallcovering groups.

In paint ICI's Dulux brand is the market leader, followed by the products of Crown, Berger and Donald Macpherson. Macpherson makes the Cover Plus brand which is marketed through the Woolworth chain. Leyland Paint and Wallpaper is also a major supplier of own-brand paints to the multiple stores.

DIY AND HOME IMPROVEMENT 2

Balance shifts towards High Street giants

DIY HAS BEEN one of the most profitable and fast-growing areas in the retailing sector—so good, in fact, that it has caught the imagination of many of the older, more established High Street giants. The high margins available have proved irresistible, but the rush of entrants into the field is one reason why the DIY bubble has finally burst.

The retailers have historically been able to ride the ups and downs of consumer spending in style; but 1980 is changing the whole pattern. DIY is no longer recession-proof. And while it must pick up again—people will spend more on their environment when they can afford to—there must be very serious doubts that DIY retailing will ever recapture its old glamour.

Figures produced earlier this month by two of the best-known names in the market, Stanley and Home Charm, bear out the new problems that the sector has encountered.

A. G. Stanley, the quoted company which runs some 260 High Street outlets (mainly under the "Fads" banner), reported that its profits in the first half of 1980 had collapsed by over a third to just over £800,000. Mr. Malcolm Stanley, the company's chairman, blames the opposition for his setback. "Irresponsible price-cutting" of branded paints is the reason for his company's decline, he claims.

Mr. Stanley calculates that some 40 to 45 per cent of the company's £24m sales during the first half were accounted for by paint. Of that, about two-fifths is accounted for by own-brand paint, against which the competition has had a less dramatic impact. Profit margins are still good; it was among the proprietary brands that the price war broke out.

Mr. Bill Calder, of stockbrokers Earnshaw Haes, believes that gross margins on sales of Dulux paint were slashed from around 20 per cent to 8 per cent in the spring, as giants such as Tesco and Asda tried to carve out a bigger slice of the market by price-cutting. The repercussions on the smaller operators are obvious.

Tesco, not surprisingly, has little sympathy with the DIY retailers. It wanted to be a force in the market, so it cut prices. As Mr. Darnell, a Tesco director says: "Nobody can afford to take an entrenched position on prices."

At present, Tesco is the third-largest seller of paint in the UK. Woolworth is probably number one, with its own brand, Cover Plus, which is manufactured by Donald Macpherson, and Stanley is perhaps number two. In fact there is not much to choose between them. Woolworth says it has 13 per cent of the market; Tesco claims 12 per cent, and Stanley is somewhere between.

But if the traditional retailers could do little in the spring to hit back at Tesco and Asda except cut their own margins to shreds, the manufacturers had other ideas. ICI has convinced Asda to stop using Dulux as a loss-leader and some supplies have been withheld from Tesco. Mr. Darnell says that he has plenty of stock but the message from ICI is very clear.

Home Charm, operator of the Texas Chain, was the other quoted company to surprise onlookers with a near-halving of its pre-tax profits to £640,000 in the first six months of 1980. However, while not immune to the competitive pressures which

RETAILING

TERRY GARRETT

have caused a sharp deterioration in operating margins at Stanley, the story at Home Charm is different, illustrating the other major problem which has faced the retailers.

The downturn in consumer spending has finally caught up with the DIY sector. While sales of cheaper items, such as paint, have held up, the real problem has arisen among the more expensive items such as kitchen and bedroom furniture and bathroom suites. Demand for these high-margin items has collapsed, and companies such as Home Charm, which have put increasing emphasis on "improvement" goods have been caught out.

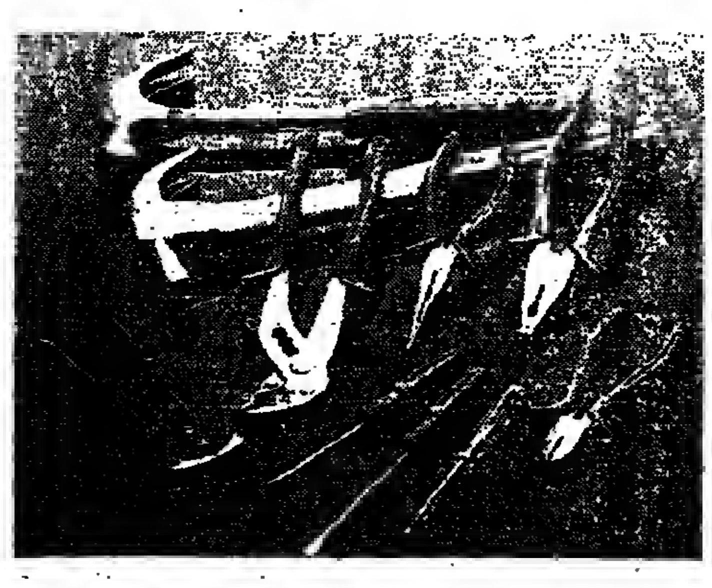
Home Charm's problems have been compounded because earlier expansion plans are coming to fruition now when demand has dropped away. The new stores—a third will be added to selling space this year—are taking much longer to get into profit and interest costs have soared.

MFI also recently reflected the sector's problems with a missed profits forecast which brought the management in for a lot of criticism.

The market has, therefore, been hit in two ways: falling demand and fierce competition. A shake-out in the trade looks inevitable, but already there are definite signs that the traditional structure of DIY retailing is changing. For convenience the retailers can be divided up into a few distinct groups.

There are the High Street specialists such as Stanley, the retailing arm of Leyland Paint, which includes Blaskeys, Kenricks and Turners, the Art Wallpaper subsidiary of GUS and the Robert Dyas chain. The specialists have the largest share of the DIY cake—estimated around the 35 per cent mark—but it is declining.

Then there are the traditional builders merchants. These, however, somewhat missed the boat because they did not want to upset relationships with their traditional customers, the builders. Some have come to terms with the DIY market by operating separate businesses aimed at the DIY enthusiast, while others have tried to combine the two. According to Mr. Reg Williams, a director of The Federation of Builders Merchants, the merchants are trying to promote the image of the "professional people in DIY."



Tools of the trade—and also of the avid home improver. Tool manufacturers face a brighter future when the economy climbs out of its present trough

The independent superstore multiples such as Home Charm and Dodge City, a private company, have most of all been responsible for lifting the DIY retailers' image above racks of nails and shelves of paint. However, as independents, they seem to be fast-disappearing into much larger groups.

It has already been shown how Tesco and Asda have fought their way into the market by price-cutting. But these groups will probably only operate on a fairly limited range of items concentrating on the decorative end.

Other large professional retailers have been snapping up smaller chains, often very cheaply. Woolworth, which already sold a good deal of paint, has just purchased B and Q. This company operates a chain of stores, laying more emphasis on price than firms such as Home Charm or Dodge City.

W. H. Smith, which bought a line of shops from LCP, has taken the DIY concept a stage further. Called W. H. Smith Do It All, the shops stock everything that man, woman or child should need to fill their leisure time—from knitting needles through toy kits to bathroom suites.

Comet Radiovision acquired the Timberland chain from Caledonian. Harris Queensway, which also wished to acquire Timberland, managed to attract Timberland's management to aid its own efforts in the sector. Sainsbury has entered the fray with a joint venture with a Belgian company, and groups like Ready-Mixed and Marley are represented at the retail end.

All these developments are individually interesting—but collectively, they represent a shift of DIY retailing towards the well-respected High Street giants.

This change of structure will make it increasingly difficult for small High Street chains. Many of the majors are still finding their feet. Given the depressed state of the market, they are bound to tread cautiously at first, but when they start pushing hard the repercussions may be felt right down to the smallest shop.

The independent specialists of medium size, such as Dodge, Home Charm and Stanley, are probably strong enough to withstand these pressures. But whether irresistible offers will come to these too from other quarters is another question. Tesco, for example, makes no secret of its long-term ambitions to buy up an independent chain.

The first International Home Improvements exhibition opens to the trade at Earl's Court next Tuesday. The show, which includes over 200 exhibitors, is open to the public from October 3-5.

Building societies still best bet

PRIVATE FINANCE

DAVID CHURCHILL

GETTING A local authority home improvement grant may be easier under the Government's new Housing Act—so long as the local authority has the money—but it still leaves the home improver needing to find between a quarter and a half of the finance. This is where the resourcefulness of the would-be home improver is put to the test. Indeed, the business of raising the finance from both the public and private sectors often needs far more planning than is required for the improvement itself.

The primary source of finance—and probably the cheapest—is to try a building society. Home improvement loans do not have as high a priority with the societies as do loans for house purchase — for the obvious reason that their money is safer mortgaged to the main asset rather than just an improvement.

But the position can fluctuate from month to month and from society to society. In the present climate, for example, the societies seem caught between a fall in demand for house-purchase loans—because of the general economic uncertainty and high interest rates—and a transfer of funds to other forms of savings which attract higher rates of interest.

The advantage of a loan attached to an existing mortgage is that the houseowner will probably have a longer pay-off period, which means smaller monthly repayments.

The building society will need to see detailed plans for the intended improvement, along with all the necessary planning consents and detailed builder's cost estimates. Ensure that the chosen contractor will be prepared to wait for payment, since some society loans allow for progress payments, but others only produce cheques after the whole job is done and inspected.

The building society will usually charge a small fee for the clerical costs of processing the loan application, as well as charging for the cost of a surveyor's visit. If the society's branch manager agrees to the loan, his agreement in writing should be sufficient to get a temporary bank-loan and to get the builder working.

High Street banks are the next most obvious source of finance, but their lending tends to be far more short-term than that of the building societies. Banks generally have their own ideas about improvement loans, but they tend to prefer lending to owner/occupiers. Their loans will also be more expensive than a building society's. Few banks will lend for more than five years, and some lend for only a maximum of three years.

With the Government's anti-inflation strategy of curbing the money supply, the banks are under pressure not to grant too many personal loans for non-essential home improvements. But the definition of what is essential is very broad, and the banks are still anxious to earn a profit from lending money. The best approach is just to sound out your local bank manager.

Loans from finance houses are broadly similar to those from a bank. In most cases the interest rates tend to be higher than those charged by building societies, although some of the bigger finance companies operate loans where the interest is calculated on a day-to-day balance and the rate is similar to a bank loan.

Finance house loans are usually easier to arrange and they offer repayment periods of up to 10 years.

Insurance companies also offer another source of finance and usually the loan for home improvement is linked with life assurance. The idea is that when the insurance policy matures, the amount of the loan is repaid. The minimum period of the loan and life policy must exceed 10 years.

As part of the general policy of shopping around for loans, it could be worthwhile to approach the building contractor, builders' merchant, or supplier. If they are a large and reputable company, they may have access to cheaper loans—it is in their interests to offer competitive rates and help the home improver raise money.

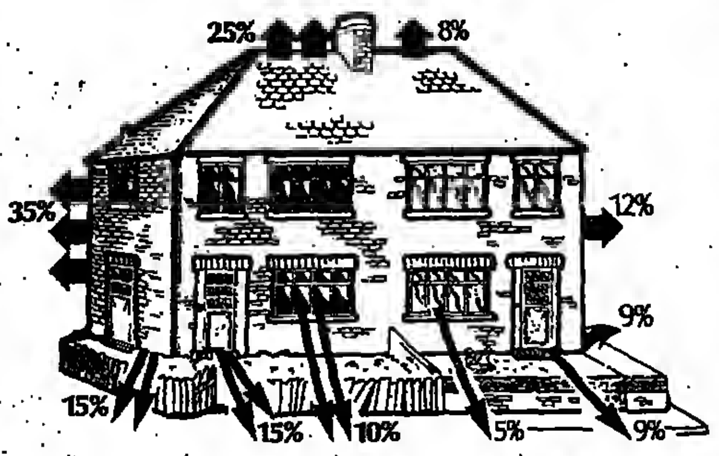
Local authorities also could be approached to lend part of the remaining cost of the home improvement—although in the current tight financial climate such loans are not likely to be easily forthcoming. It depends, however, whether the improvement is part of the local authority's strategy for improving the housing stock in a particular area.

Another point not to overlook in calculating the financial position is the availability of tax reliefs. Tax relief is usually available on the interest paid on money borrowed for home improvements. The scale of the relief will depend on the extent of the project, but major structural projects should qualify for relief on the whole interest.

The best advice is to consult a local tax office and the lending body at an early stage to clarify the status of the interest payments for tax purposes.

The National Home Improvement Council—at 26, Store Street, London, WC1—has a number of useful booklets available setting out the problems and advantages of home improvement.

WHERE THE HEAT GOES



Proper insulation can save a lot on heating bills—provided that home-owners can raise the money for it, which is not always easy

Revised system for easier claims

THE NUMBER of home-owners considering some form of home improvements is undoubtedly on the increase yet the number applying for Government grants has fallen steadily over the years. In 1973, there were some 300,000 grants given by central and local government for home improvement; by 1978, the figure had dropped by two-thirds to just over 100,000.

The pressure on public spending has obviously contributed to this decline. More importantly, the fall-off in demand has been due to the costly delays in waiting for the grant to be given.

Mr. Michael Heseltine, Environment Secretary, recently said that although the renovation grant system was there to help people to improve their homes, far too many applicants simply give up trying to get a grant. This was either because of the hussle and red tape involved, or because applicants found that the cost of the project had become so inflated by the time the grant came through that they simply could not afford the improvement any more, irrespective of the grant.

To enable more people to take up improvement grants, the Government has therefore included a complete revision of the grants system in the Housing Act, which became law earlier this summer. Some of the exact details of the new grants however have still to be revealed over the next few months. These details will be published as Orders when Parliament returns next month.

The Government's revised system will make it far easier for people to claim grants. Firstly, the scheme is being extended to cover every householder, whether a council or private

GOVERNMENT GRANTS

DAVID CHURCHILL

tenant, house or flat-owner. Repair grants will be available for major structural work on pre-1919 buildings and the rules are to be changed to allow people to instal basic amenities, such as baths and indoor toilets, without having to carry out more comprehensive improvements.

In housing action areas, the Government is scrapping its present rateable value limits which disbar applications from owner-occupiers in houses with a rateable value of over £300 in London, and £175 in the rest of the country. The Government is also scrapping the "Five year rule" which forced home owners to repay a grant if they moved within five years of the last grant payment.

The key criterion for the new legislation has been to improve the flexibility of the grants system. The Department of the Environment says that the aim is to direct resources to priority cases, with the object of improving the housing stock overall. Although initial priorities will be based on house condition, the Department recognises that priorities will also be related to the personal circumstances of grant applicants.

The present limits on eligible expenses, last fixed in 1977, are to be revised upwards to take account of the variation in cost between different geographical areas, and the higher cost of renovating houses in particularly poor condition.

Grant rates at present have a maximum limit of 75 per cent in housing action areas (with discretion to increase to a maximum of 90 per cent in hardship cases), 60 per cent in general improvement areas, and 50 per cent elsewhere. Local authorities already have power to pay all discretionary grants at less than the full rate; the Department says they will be encouraged to make wider use of this power to pay a lower grant in the light of particular circumstances and the resources available to them.

In addition, the Department says that with limited resources available, a reduced rate of grant might be appropriate in the case of desirable but less essential improvements. It is proposed that there should be two basic grant rates: a higher basic rate of 75 per cent for houses in action areas, or, if outside these areas, if they lack amenities, are unfit, or lack a fire escape; and a lower basic rate of 50 per cent for all grants for other dwellings.

One minor grant that will be unchanged in the new system is for loft insulation. Householders or tenants can apply for a grant covering 66 per cent of the cost of loft insulation up to a maximum of £50. The Government hopes to hand out about 700,000 of these grants each year until 1988, leading to an estimated £100m a year fuel-savings.

Elderly people on low incomes will, under a move announced last month, be eligible for a 90 per cent grant for loft insulation up to a maximum of £90.

The new grants system, however, will take some time to get fully under way, and depends on the Parliamentary borders being laid over the next few months. It also remains to be seen how far local authorities—faced with central Government cuts in their housing finance support—are enthusiastic about the new grants.

But the only practical step is to contact the housing department of the local authority—which will also have details of the new grants system available free—and ask whether grants are likely to be available. If the money is there, it should still be quicker to get a grant under the new system.

WORLD STOCK MARKETS

Early 12.5 fall on Wall St.

STOCKS CONTINUED broadly and sharply lower in heavy trading on Wall Street yesterday in response to another jump in interest rates and continuing Mid East war worries.

By 1 p.m. the Dow Jones Industrial Average was down 12.54 to 943.43, making a fall of 20.31 on the week. The NYSE All Common Index, at $73.33, was off $1.12 on the day and $1.48 on the week, while declines led advances by a six-to-one majority in a volume of 37.4m shares.

The Federal Reserve increased its Discount Rate to 11 per cent from 10 per cent late Thursday and many major banks raised their Prime Rates to 13 per cent from 12½ per cent yesterday morning.

Analysts said investors fear higher rates could abort the economic recovery, put added pressure on Corporate profits and delay the process of strengthening Corporate balance sheets.

Eight of the 10 most active stocks declined. But Citicorp added $¼ at $20⅞ while Bank America held unchanged at $24⅛, both in active trading.

General Motors lost $1 to $53⅛—West Germany's IBH Holding AG confirmed Thursday's reports that it is holding talks to acquire GM's Terex heavy construction vehicle unit.

Ford Motor shed $¾ to $28⅛ but Toyota Motor firmed $⅛ to $35¼ bid, Over-the-Counter—they will hold talks on a proposed joint venture to build small cars in the U.S.

Pullman eased $⅛ to $49¼, Wheelabrator-Frye $⅛ to $47 and McDermott $⅛ to $29¼. Wheelabrator acquired 49 per cent of Pullman Thursday and will seek a merger, apparently ending McDermott's hopes for a successful competing bid.

Turner Construction gained $⅛ to $43½ — it will build Cities Service's $150m headquarters building in Tulsa, Okla.

Fidelity Financial climbed $1½ to $14¼ — it approved an agreement to be acquired by H. F. Ahmanson for cash and stock. Ahmanson shed $⅛ to $21⅞.

Mobil put on $⅞ to $70½ — it received and will pay for all 11,918,333 Esmark shares for which it bid $60 apiece in a tender offer. The shares will be swapped for Esmark's Vickers Energy subsidiary, whose sole asset will be Trans Ocean Oil. Esmark eased $⅞ to $59.

Federal Paper Board slipped $¼ to $27¼ despite improved fiscal third quarter net earnings.

Warner-Lambert declined $1 to $20⅛, Digital Equipment $1¼ to $80⅞, Eastman Kodak $¾ to $66, IBM $⅞ to $65½, Burroughs $⅞ to $62, U.S. Steel $⅞ to $21⅞, Exxon $1 to $70½ and Proctor and Gamble $1¼ to $72⅞.

THE AMERICAN SE Market Value Index lost 5.96 to 336.67, for a net loss of 3.39 on the week.

Oils were hit by profit-taking. Gulf Canada dipped $⅞ to $24¼, Towner Petroleum $2¼ to $30⅞ and Delhi International $1¼ to $69⅞. Delhi said an Australian discovery well flowed 1.5m cubic feet of gas a day.

Volume leader Syntex eased $⅞ to $50½, Wang Laboratories "B" $1⅞ to $54⅞. Dataproducts $1 to $30½.

Frank's Nurseries rose $1¼ to $18 in active trading.

Closing prices for North America were not available for this edition.

Canada

Markets were again sharply lower in fairly active trading around midday yesterday, when the Toronto Composite Index dropped 25 points to 2,304.5 and all 14 sub-indices retreated.

The Metals and Minerals Index lost 21.4 to 2,432.0, Golds 147.6 to 5,925.9, Oil and Gas 56.4 to 4,635.8, Utilities 3.04 to 273.67, Banks 2.85 to 378.53 and Papers 1.77 to 205.18.

Australia

Markets ended the week on a dull note as prices eased across the board, but most finished above the worst.

Gold's slide under the $U.S.700 mark in Europe overnight set the scene for losses in the Gold Mining sector.

The Middle East situation, although still confusing investors, had settled enough to prevent the chaotic trading conditions that existed earlier in the week.

But Golds finished off their lows as talk circulated of another promising find in the Kalgoorlie area.

Kitchener Mining, the partner of CRA in the promising joint gold mining venture at Boambo Creek, lost 50 cents to $A6.10.

Southern Goldfields, rumoured to have made the new finds at Kalgoorlie, gained 25 cents to 80 cents.

Bougainville eased 2 cents to $A2.62 on reports that it told the Papua New Guinea Government Gold and Copper output would be reduced this year.

Energy stocks attracted some attention during the afternoon, with Oil shares edging higher.

Rundle twins Central and Southern Pacific showed the way, each closing firmer, while Greenvale and Esperance also looked strong.

Convention Oils were in demand with Stratx again attracting attention, as did its partners, Haoma and Northwest Mining.

Tokyo

Higher in fairly active trading —600m (350m) shares—extending Thursday's rally on active foreign purchases.

Active selective buying in Blue Chips and Popular issues more than offset technical losses suffered by issues going ex dividend and ex rights.

Foreign investors actively bought Steels and Heavy Electricals, most of which went ex dividend.

Market sentiment was brightened by reports that a Security Council meeting on the Gulf crisis is likely to be held shortly.

The report, however, adversely affected such share prices as Oils and some Defence-related issues.

Hong Kong

Lower in active trading on expectations of an increase in local Prime Rate following the rise in U.S. Discount Rate.

Local interbank three-month money rose 1 per cent on the day, signalling an increase in local Prime Rate, although the Interest Rates Sub-Committee, which is due next to meet October 4, said that no extraordinary meeting is scheduled.

Wharf's results gave some support to the market in the afternoon—the stock finished 50 cents up at HK$96.50, after HK$100.

Singapore

Across-the-board weakness again hit stock prices in fairly active trading.

Blue-Chip Industrials, properties, Banks and Plantations were all generally easier. Some Malaysian issues which had held firm earlier in the week, slipped yesterday, on expectations of an increase in Malaysian interest rates.

BAT (Singapore) held unchanged at S$1.50, despite a 39.7 per cent rise in group pre-tax profit in the first half of 1980, to S$4.5m.

Paris

Wall Street's fall Thursday and the continuing conflict in the Middle East helped push most share prices lower, although Foods and Real Estate held steady. Trading was moderate.

Galeries Lafayette were down FFr 8 at 130 in weaker Stores, and Peugeot dipped FFr 6 to 183 in Motors.

Cie Financiere Paribas eased 50 cents to FFr 257.5 after reporting higher first half group net profit and a FFr 10.5 interim dividend.

Oils, Banks and Insurance tended mixed, while all remaining sectors weakened.

In Foreign stocks, Oils and Germans showed the heaviest losses, Coppers and U.S. eased, Dutch held steady, but Gold Mines firmed.

Solvay hit by weak trading in plastics

By Our Financial Staff

SOLVAY, the Belgian chemical group, reports lower profits for the first half of 1980 and suggests that trading in the current six months may deteriorate further.

Net earnings for the half year are 7.5 per cent lower at BFr 1.69bn ($59m) on a gain in sales of 15 per cent to BFr 67.7bn. Prospects for the rest of 1980 are "not encouraging," the company said yesterday.

Solvay has been hit by a slump in plastics where price increases have been unable to keep pace with production costs. Further price and sales deterioration is expected.

The company, which is maintaining its interim dividends, emphasised, however, that trading in its more traditional areas has remained strong.

The latest earnings performance contrasts with the sharp recovery achieved in 1979 when Solvay managed to lift net earnings by more than two-fifths to BFr 4.7bn.

Last year was marked by a sharp rise in demand with sales improving by more than a quarter. The greater volume of sales allowed Solvay to better utilise its manufacturing capacity.

For the first half of the current year group cash-flow as a percentage of turnover has slipped by almost an eighth—to 9 per cent from 10.2 per cent.

Demag orders rise

INCOMING ORDERS in the first eight months of this year rose by 27 per cent to DM 2.47bn ($1.4bn) for Mannesmann Demag of West Germany. Sales were up 2 per cent at DM 1.52bn.

HK Wharf lifts profits and announces stock split

BY OUR HONG KONG CORRESPONDENT

HONGKONG and Kowloon Wharf and Godown Company yesterday announced a 29 per cent improvement in after-tax profits before extraordinary items, for the six months to June 30, of HK$92.4m (US$18.6bn), and a 10-for-one stock split. The interim dividend was raised 18.5 per cent to 32 cents a share.

The stock split, an incentive to more active trading in the shares, and helped push Wharf up 50 cents to HK$96.50 on the stock market yesterday, against the market trend.

Wharf said that the outlook for the remainder of the year was encouraging, and it forecast an after-tax profit for the year of HK$195m, up 20 per cent from the previous year.

An extraordinary loss in the first half of HK$700,000, compared with an extraordinary gain of HK$20.1m in the first half of 1979, however, brought the final profit figure for both periods to HK$91.7m.

The group will net more than HK$40m in extraordinary gains from the sale of two properties, the titles of which are scheduled to be transferred on December 31.

The board also revealed that it is considering "banking arrangements" to finance an expensive construction programme that includes a large commercial complex on a prime waterfront site. Some observers had expected a rights issue.

Wharf's cargo-handling activities and its varied portfolio of properties all brought in higher revenue in the six months, but the company warns that its two transport subsidiaries, Star Ferries and Hong Kong Tramways, suffered from higher operating costs, coupled with traffic congestion and competition from other modes of transport, principally the Colony's new underground Mass Transit Railway system.

However, fare increases on the ferries and an increase in the number of passengers carried on the trams help to meet those problems.

Swiss rescue for Manufrance

BY ROBERT MAUTHNER IN PARIS

A POOL of Swiss banks has stepped in at the last minute to try to save Manufrance, the French mail order, retail and manufacturing company, from final closure and bankruptcy.

All hope of saving the company, which has been suffering losses of some FFr 12m (about $2.9m) a month, appeared to have been lost when a Bordeaux businessman, M. Jean-Claude Dumas, came up at a shareholders' meeting on Thursday with the Swiss offer.

The Swiss banks, reported to be led by Gutwiller, Kurtz and Bungener, have offered a loan of FFr 200m (nearly $50m) to refloat the Societe Nouvelle Manufrance, set up in May this year, to run the ailing company.

M. Marius Boutrand, the president of the commercial tribunal of Saint Etienne, the town in which Manufrance is based said that there was a 90 per cent chance that the latest rescue attempt would succeed.

The Swiss bankers are, however, attaching strict conditions to their loan, FFr 30m of which would be used to increase Manufrance's capital. The remaining FFr 170m would be in the form of a cash injection, part of which would be used immediately to pay off debts.

The main condition is that the present shareholders would cede their holdings to the Swiss banks, who would thus become the new owners of Manufrance.

If the new rescue plan materialises, there may be a possibility of obtaining government aid as well, but only in the longer run. The Government's offer of FFr 150m in aid has been made conditional on a financial commitment by shareholders, the appointment of a new management team, and a credible restructuring plan.

Even if the first two conditions could be satisfied immediately by the Swiss banks, it would clearly take some time to fulfil the third.

Manufrance shareholders are due to meet again early next week to hear further details of the latest rescue plan.

UV-Sharon in debt switch

By Our Financial Staff

THE LIQUIDATING Trust of UV Industries and the board of Sharon Steel announced that the two companies had exchanged certain debt issues after the close of the stock market on Thursday.

Exchanged with the Trust were $411.16m in Sharon temporary debentures and $116.6m represented by $23.96m in an interest bearing note of Sharon's.

Also, $82.6m in immediately available funds were exchanged for $517.7m interim notes of Sharon held by the trust.

Paribas ahead at half-year

BY OUR PARIS STAFF

COMPAGNIE Financiere de Paris et des Pays-Bas, holding company of the Paribas banking and industrial group, reports an increase in group half-year net profits to FFr 598.1m ($142m). This compares with FFr 328m during the opening half of 1979 and FFr 1.15bn for the whole of last year.

In line with previous policy, the board of directors of the company decided to distribute a dividend advance of FFr 7 per share, plus a FFr 3.50 tax credit.

The board has made it clear, however, that this advance does not in any way determine the amount of the final dividend for the current financial year, which will be fixed by the annual general meeting.

● Davies Insurance Agencies, a subsidiary of Theo. H. Davies of Hawaii, has entered into a joint venture with Fred S. James of Chicago, a major insurance brokerage firm.

This agreement will give James 50 per cent equity in Davies Insurance Agencies and marks the company's first presence in the Hawaii market.

Theo. H. Davies is a wholly-owned subsidiary of Jardine Matheson of Hong Kong.

Television setback for News Corporation

By James Forth in Sydney

NEWS CORPORATION, the international press group, has received a surprise setback to its plans to expand into television. The Australian Broadcasting Tribunal yesterday refused to approve an application by a News subsidiary for joint-ownership of Melbourne's television station, ATV-10.

The tribunal rejected an application by News for approval of its acquisition of its 50 per cent stake in the airline, hotel and television group, Ansett Transport Industries — built up last year at a cost of some A$80m (approaching U.S.$100m) — so blocking the registration of the shares.

The reasons for the refusal were not given by the tribunal chairman, Mr. David Jones, but were promised as soon as possible.

News said yesterday that when the Tribunal's reasons for its decision became known all avenues of appeal would be "vigorously explored." The company could lodge an appeal either to the Administrative Appeals Tribunal or to the High Court.

Ansett was the centre of a protracted struggle last year which ended with the News group — headed by Mr. Rupert Murdoch—and Thomas Nationwide Transport, each owning 50 per cent. Among Ansett's interests is Austrama Television, which runs ATV-10.

The three main companies concerned in the transaction, the TNT group, ATV-10's former licensee, Ansett Transport Industries, and News, it was said, had been left in "a state of very considerable uncertainty." News also controls a Sydney television station, Ten-10, acquired only a few months before Ansett. Since the News-TNT team has taken control of Ansett a number of initiatives have been instituted.

Early this year, Ansett acquired a 15 per cent stake in the major partner in the Cooper Basin natural gas and liquids fields in South Australia for about A$50m which is now showing a book profit of about A$50m. Only last week, Ansett sold a 15 per cent stake in Ampol Petroleum for A$42.5m at a profit of A$14m.

Seagram's U.S. offshoot turns in further gains

BY OUR FINANCIAL STAFF

PREDICTIONS OF higher earnings in fiscal 1980 at Seagram, the Canadian corporation which ranks as the world's major distiller, have been reinforced by an improvement over the period at Joseph E. Seagram, its major U.S. subsidiary.

Joseph E. Seagram announced in New York that net earnings were 2.5 per cent higher at $114.6m for the year ended July 31 after unusual credits and currency translations. Seagram Company, the parent, finds the bulk of its sales in the U.S., although it is Montreal based.

Joseph E. Seagram comments that the 1979 figures have been restated for adoption of full cost accounting in its oil and gas operations. These operations turned in some 22 per cent of the Seagram parent company profits last year.

Before adjusting for credits and currency charges, Joseph E. Seagram net earnings showed an increase from $63.6m to $106.8m.

In 1979, the parent earned $168m, against $91m the previous year, on sales of $1.6bn compared with $1.3bn. The group's brand names include Chivas Regal, Seagram's V.O. and Seven Crown. For the current year Wall Street analysts have been predicting an increase on the $3.80 a share before foreign exchange and non-recurring items earned in 1979.

The Canadian group is in the process of selling the bulk of its Texas Pacific Oil interests in oil and gas in the U.S. to Sun Company. Consummation of the deal, expected late this year, will bring in about $2.3bn in cash and notes to Seagram which, through a subsidiary, will retain a 25 per cent stake in Texas Pacific's producing acreage.

For the longer term, Seagram is expected to benefit from its strong position in distilling but much could depend on the redeployment of the proceeds from the sale of the U.S. gas and oil interests.

Small earnings increase for Australian retailer

BY OUR SYDNEY CORRESPONDENT

GRACE BROS. HOLDINGS, the major retail group and furniture removers, increased its profits by 6 per cent, from A$13.89m to A$14.67 (US$17.2m) in the year to July, to make the 20th successive increase in earnings. The result equals earnings of 30.7 cents a share, and easily covers the dividend which is lifted from 11 cents a share to 12 cents.

The directors said that the Indian Summer this year affected sales in the second-half, and that intense competition in the retail industry had led to severe cutting of profit margins in an effort to maintain market share.

Industrial stoppages had also upset planning and caused consumers to curb their spending. Problems in New South Wales had been compounded by a "staggering" increase in gambling, which was gaining a larger share of the consumer's disposable dollar.

Trading in the transport division had been satisfactory in the year. Improved operating efficiency, rationalisation of certain activities and the upgrading of facilities had contributed to the results. Since the balance date there had been indications of a lift in sales across the board. The first eight weeks of trading showed a sales increase comfortably ahead of the inflation rate.

Berthold to acquire Alphatype

By Leslie Colitt in Berlin

H. BERTHOLD of West Berlin, Europe's leading manufacturer of photo-offset equipment, is to take over its first U.S. company, Alphatype of Niles, Illinois, for $21m.

Herr Heinrich Metz, the chairman, said that although Berthold is the strongest in its field in Europe, it has not been "overly successful" in the U.S. with its New Jersey sales subsidiary. He believes that Alphatype's cathode ray typesetting equipment will complement Berthold's own machinery which produces high resolution images in the lower speed range.

Berthold's group turnover last year was DM 210m ($116m) and this year, following the takeover of Ormig of Berlin, it expects sales of about DM 300m. Alphatype is expected to have a turnover of $12m for the year ending September 30.

The West Berlin company and its two subsidiaries employ 2,000 while Alphatype has 160 employees. In recent years West Berlin companies have been extremely active in acquiring U.S. production facilities.

Sharp cut in Corco loss

SAN ANTONIO — Commonwealth Oil Refining (Corco) reported a preliminary unaudited net loss of $1.6m for August on sales of $112.7m against a loss of $4.5m in July.

Mr. Howard Hardesty, the chairman, said the August loss does not include about $13m of exceptional relief on Alaskan north slop crude oil announced on September 15. The proposed order for the relief issued by the Department of Energy is expected to become final in mid-November.

The August loss reflects significantly increased crude oil runs and slightly improved operating margins, Mr. Hardesty said.

The company, operating under Chapter 11 of the Federal Bankruptcy Act since March 1978, has been the object of several failed takovers. In August Charter, a fast-growing refiner, dropped a bid for Corco.

AP-DJ

COMMODITIES/REVIEW OF THE WEEK

Middle East conflict fails to stir prices

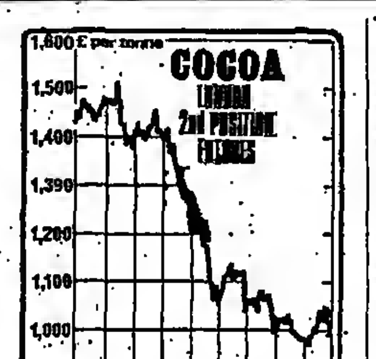
BY OUR COMMODITIES STAFF

THE IRAN/IRAQ conflict brought unsettled conditions in the London metal and commodity markets this week, but had a surprisingly small impact on prices. Indeed many markets ended the week at lower price levels, wiping out gains made earlier after a traditional upward response to war news.

Gold set the pattern in metals rising sharply at the beginning of the week and then losing ground, particularly yesterday when there were rumours of Iran selling gold to make up for lost oil export revenues. This brought a sharp downturn in silver after earlier rises. The London bullion spot quotation for silver at yesterday's morning fixing was 927.05p a troy ounce, 48.45p up on a week ago, but in afternoon trading prices fell to 900p.

Copper values rose in the first two days of the week, but then came back sharply to close last night lower than a week ago. Cash wirebars fell to £863 a tonne, £4 down on the week, after climbing to £905 on Tuesday.

Gold was the main influence in copper, but there were other factors at work as well. Early in the week the market was boosted by news that negotiations between leading U.S. producers and the copper workers union to end the 12-week old strike had ended in deadlock. But later it was learnt that one of the smaller producers, Inspiration Consolidated, had reached a tentative agreement and it is widely expected that Duval Mining will reach a settlement too this week to avoid its workers, whose contracts expire on September 30, going on strike.



Other metals were less affected by the gyrations in gold. The recent speculatively-inspired uptrend in zinc was ironically reversed when several producers announced a substantial rise in their official European zinc price; from $780 to $845 a tonne. The rise was led by A.M. and S. Europe, who initially lifted its price to $805 but then joined other Australian and Canadian producers in going to $845.

Lead prices also lost ground during the week, but were boosted during the past two days by announcements of U.S. domestic lead price increases confirming reports of better demand there.

In the "soft" (non-metal) commodity markets rubber reacted to the Iran/Iraq conflict by gaining 3.75p to 63.75p a kilo. Sugar, too, was higher, mainly boosted by fears that frost would cut the Soviet Union beet crop still further. However, the sugar market was hit by severe bursts of heavy profit-taking sales at the higher price levels.

Coffee prices fell sharply. On the London robusta futures market the November position lost £84.5 during the week to close last night at £994.5 a tonne—the lowest level since April 1976.

The decline was triggered off by reports that the International Coffee Agreement talks in London this week were unlikely to be conclusive in setting export quotas and minimum price levels, as earlier expected.

This unleashed heavy speculative selling, which traders said reflected the true fundamental situation of surplus, supplies meeting poor demand from consumers anxious to maintain low stocks because of high interest rates.

The same fundamental surplus situation drove cocoa prices down again, too. The December position of the futures market closed £32 lower on the week at £988.5 a tonne. Brazil this week finally scrapped its 6 per cent export tax on cocoabeans and the market was undermined by further selling by producers.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1980 High	1980 Low
METALS					
Aluminium	£810/815	—	£710/50	£810/815	£760/70
Free Markets c.i.f.	$1650/1660	—20	$1,620/40	$2190/2200	$1650/60
Antimony					
Free Market 99.6%	$3,200/3250	—	$3,025/3,075	$5,455	$3200/3300
Copper Cash Wire Bars	£863	+1	£1,070	£1,379	£812.5
3 months Do. Do.	£894.25	+6.25	£1,076.5	£1,372.5	£834.75
Cash Cathodes	£856	+2.5	£1,043.5	£1,316	£785.5
3 months Do.	£864.5	+2.25	£1,056.5	£1,345.5	£810.5
Gold per oz	$688.5	+21	$388.0	$855	$475
Lead cash	£388.5	—18	£589.5	£579	£299.5
3 months	£386	—16.25	£589.5	£471.5	£308.75
Nickel	£3,205	—	£2,958	£3,477	£3,158.45
Free Market c.i.f. lb	290/315c	—	255/275c	315/345	265/295c
Platinum per oz	£202	—	£181	£202	£188.50
Free Market per oz	£297.72	+6.45	£258.80	£466.6	£250
Quicksilver (76lbs.)	$410/420	—	$350/360	$415/425	$370/380
Silver per oz	927.05p	+48.45	759.40p	3,136.90p	467.80p
3 months per oz	961.05p	+47.95	758.90p	3,185.05p	483.5p
Tin cash	£7,180	—85	£7,375	£8,350	£7,040
3 months	£7,225	—110	£7,145	£8,586	£7,108.5
Tungsten Ind.	$146.76	—	$140.73	$145.76	$137.76
Wolfram 22.04 lb	$121/154	—	$143/148	$151/154	$129.50/104
Zinc cash	£337	—9	£354.5	£400	£282
3 months	£348.5	—8.25	£363.5	£415	£292.25
Producers	$780	—	$780	$825	$780
GRAINS					
Barley					
Home Futures	£97.95	+4.40	£92.70	£101.55	£89.95
Maize					
French No. 3 Yellow (Amer.)	£122	—0.5	‡	£122.5	£116
WHEAT					
No. 1 Red Spring	‡		‡	‡	‡
Am. Hard Winter	£99t	+1.25	£104.9	£105	£91.0
Eng. Milling (new crop)	‡		£95.0	‡	‡
SPICES					
Cloves (g)	£3,915s	—	£3,770	£4,175	£3,750
Pepper, White	$2,250s	—75	$2,900	$2,825	$2,150
" black	$1,675s	—50	$2,000	$2,025	$1,575
OILS					
Coconut (Philippines)	$570u	—30	$910	$825	$570
Groundnut 5%	‡		‡	£457	‡
Linseed, Crude	£393t	+8	£433	£464	£368
Palm Malayan	$490x	—30	$635	$795	$505
SEEDS					
Copra (Philippines)	$365	—40	$600	610	$360
Soyabeans (U.S.)	$343x	—3	$300.85	$350	$260.6
OTHER COMMODITIES					
Cocoa Shipment	£1,053	—28	£1,592	£1,546	£1,023
Cocoa Futures Dec.	£988.5	—32	£1,512	£1,513.5	£968.5
Coffee Futures Nov.	£994.5	—84.5	£1,879.6	£1,784.5	£994.5
Cotton Index	99.50c	—0.40	78.40c	103.8c	85c
Des. Coconut	£640	—	£700	£740	£640
Jute LJ ABW C grade	£201s	—	£226	£225	£187
Rubber kilo	63.75p	+3.75	61.25p	90p	55.50p
Sago Pearl	£205s	—	£202	£218	£204
Sisal No. 3 L	$885	—	$885	$885	$840
Sugar (Raw)	£374	+2	£121	£378	£164
Tapioca No. 1	£215s	+2	£197	£221	£202
Tea (quality) kilo	140p	—	145p	150p	132p
" (plain) kilo	56p	—2	64p	73p	55p
Wooltops 64s Warp	293pkilo	+8	276p	308p kilo	276p kilo

‡ Unquoted. (g) Madagascar. (x) Nov. (s) Sept./Oct. (t) Oct. (u) Oct./Nov. (y) Nov./Dec.

BASE METALS

COPPER—Fell sharply on the last day trading in the present London Metal Building. Forecasts of a rise in stocks, coupled with the initial decline in gold, prompted stop-loss selling and depressed forward metal from £910 to around £894 on the pre-market. A brief rally to £900 in the morning Rings was brought to halt in the afternoon as the decline on Comex depressed three months to £888 on the late Kerb. In the after-hours trading the price dropped further to £875 as Comex went limit-down. Turnover 27,575 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	868-9	—10.5	862-4	—17
3 months	889-.5	—16	884-.5	—15
Settlem't	868	—10.5	—	
Cathodes				
Cash	840-2	—4.5	855-7	—16
3 months	870-2	—8.0	864-5	—16
Settlem't	842	—5	—	
U.S. Prod	—		*98.7-104	

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £870, 69, three months £897, 98, 99, 99.5, 900, 899, 98, 99, 900, 89. Kerb: Wirebars, three months £900, 899, 98. Afternoon: Wirebars, three months £896, 97, 97.5, 97, 96, 95, 94.5. Kerb: Wirebars, three months £888, 89, 90, 89.

TIN—Lower following the fall on the Penang market. Three months opened around £7,290 and gradually lost ground to close the late Kerb at £7,230. The absence of any offerings of cash material narrowed the contango to around £5, prior to the latter closing at £50. Turnover: 1,035 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7240-5	+12.5	7170-90	—40
3 months	7245-50	—52.5	7220-30	—75
Settlem't	7245	+10	—	
Standard				
Cash	7240-5	+12.5	7170-90	—40
3 months	7245-50	—52.5	7205-205	—75
Settlem't	7245	+10	—	
Straits. E.	$8196	—14	—	
New York	—			

Morning: Standard, cash £7,245, 40, 45, three months £7,280, 70, 80, 90, 80, 70, 60, 50. Kerb: Standard, three months £7,250. Afternoon: Standard, three months £7,255, 40, 30. Kerb: Standard, three months £7,220, 30.

LEAD—Held steady despite forecasts of a further rise in warehouse stocks. After opening at £387 and easing to £384 owing to the initial fall in copper forward metal recovered to close the afternoon Kerb at £387.5. Turnover: 8,925 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	370.5-1	+7	368-9	
3 months	387.5-8	+0.25	382.5-6.5	+1
S'ment	371	+7	—	
U.S. Spot	—		*42.44	

Morning: Cash £371, three months £385, 85.5, 86, 87, 87.5. Kerb: Three months £388.5, 89, 88. Afternoon: Three months £387, 86. Kerb: Three months £387.

ZINC—Marginally firmer in subdued trading with forward metal finally £347 on the late Kerb. Turnover: 3,825 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	337-8	—5	336-8	+1
3 months	349.5	+.25	348-9	+.75
S'ment	358	—1	—	
Primw'ts	—		*57.5-57.75	

Morning: Three months £347, 47.5, 48. Kerb: Three months £349, 48.5. Afternoon: Kerb: Three months £349, 48, 47.

ALUMINIUM—Easier reflecting forecasts of another rise in stocks. Forward metal fell back from £689 to £683 in thin trading before edging up to close the late Kerb at £684. Turnover: 6,725 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	671-3	—3.5	671-2	—5.5
3 months	687.5-8.5	—2	687-8	—4.5

Morning: Three months £688, 89, 90, 89. Kerb: Three months £688. Afternoon: Three months £687, 86, 83, 84, 85, 86, 87. Kerb: Three months £685, 86, 85.

NICKEL—Moved narrowly before ending the day at £2,827.5 on the late Kerb. Turnover: 360 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	2770-80	—48.5	2782-5	+7.0
3 months	2827-9	—33.5	2825-30	—0

Morning: Three months £2,825, 30, 25, 28. Kerb: Three months £2,829, 30. Afternoon: Three months £2,830.

* Cents per pound. $ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 35.75p an ounce higher for spot delivery in the London bullion market yesterday at 927.05p. U.S. equivalents of the fixing levels were: spot $22.24, up 84c; three-month $22.912, up 85.2c; six-month $23.763, up $1.023; and 12-month $25.265, up 85.4c. The metal opened at 917-930p ($22.0-22.3) and closed at 903-916p ($21.6-21.9).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	927.30p	+35.7	900.5p	—8
3 months	961.05p	+35.5	956p	—8
6 months	998.05p	+42.0	—	
12 months	1082.00p	+34.5	—	

LME—Turnover 174 (225) lots of 10,000 ozs. Morning: Three months 953, 58, 57, 62, 65, 67, 70. Kerbs: Three months 967, 66, 65. Afternoon: Cash untraded. Three months 960, 57, 58, 56, 57, 50, 48, 45, 43, 37. Kerbs: Three months 937, 35, 36, 37, 35, 32.

COCOA

Cocoa futures eased throughout the morning as further trade selling triggered mere commission house stop-loss selling orders. The decline was accentuated during the afternoon once the New York futures market opened limit down, and prices closed with losses of £30 across the board. Producers remained withdrawn but increased offtake was encountered as consumers resumed their scale-down buying policy, reported Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
Sep	964-70	—28	980-61
Dec	988-89	—32	1015-988
March	1024-25	—34	1048-24
May	1044-45	—35	1066-45
July	1064-06	—30.5	1084-66
Sept	1080-82	—30.5	1105-1082
Dec	1095-110	+12.5	1110—

Sales: 4,325 (1,395) lots of 10 tonnes.
ICO futures. Daily price for Sept. 25: 110.90 (110.09). Indicator prices for Sept. 26: 10-day average 111.10 (110.79); 15-day average 109.87 (109.43).

COFFEE

Robusta coffee prices collapsed once again as early commission house selling prompted losses of £30 during the opening call, reports Drexel Burnham Lambert. Reports of further progress from the morning session of the ICO meeting also contributed to the weaker tone and the market traded at its lowest level for five years.

COFFEE	yesterday's Close	+ or —	Business Done
	£ per tonne		
Sept	985-88	—34	927-25
Nov	991-98	—40	1015-990
January	1022-25	—40.5	1040-20
March	1038-40	—36.5	1058-38
May	1045-53	—42.5	1064-1053
July	1061-65	—54.5	1076-1065
Sept	1090-100	—12.6	—

Sales: 4,415 (1,778) lots of 5 tonnes.
ICO indicator prices for Sept. 25 (U.S. cents per pound). Other Mild Arabicas 121.33 (129.52). Robustas ICA 1976 122.50 (124.00). ICA 1968 122.75 (124.25). Unwashed Arabicas 211.00 (211.50). Comb. daily ICA 1968 165.64 (167.07).

GRAINS

LONDON GRAIN FUTURES—Wheat opened unchanged, and volume was generally quiet. Some buying interest in November increased values 25p, but hedge-selling eased values back to close 15-20p up on the day. Barley opened 20p up and values remained about steady throughout the session with a good trade seen at 25p higher from commercial sources. Values eased slightly towards the close on hedge-selling to finish unchanged to 10p up on the day, reports Acli.

M'nth	WHEAT Yesterday close	+ or —	BARLEY Yesterday close	+ or —
Nov	99.30	+0.15	93.70	+0.10
Jan	103.50	+0.15	97.95	
Mar	107.10	+0.15	101.55	+0.05
May	110.85	+0.15	105.25	+0.15
July	114.60	+0.02	—	

Business done—Wheat: Nov. 99.40-99.20, Jan. 103.55-103.35, March 107.15-107.00, May 111.00-110.85, July 114.70-114.60. Sales: 132 lots of 100 tonnes. Barley—Nov. 93.95-93.70, Jan. 98.25-97.95, March 101.70-101.55, May 105.40-105.25. Sales: 229 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 2, 14 per cent Oct. 98.25, Nov. 100.50, Dec. 102.55, transhipment East Coast. U.S. Hard Winter 13½ per cent: Oct. 99, Nov. 101, Dec. 101.75, Jan. 105, transhipment East Coast. Maize: U.S./French Sept. 122, Oct. 120.50, transhipment East Coast. S. African Yellow: Oct.-Nov. 85. Barley: English Feed, fob: Nov. 97.75, April-June 109.50, sellers East Coast, Oct. 95.50, Jan.-March 104.60, paid East Coast. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed Barley: Eastern 89.30, E. Midlands 89.50, N. East 86.00, Scotland 84.11. Feed Wheat: E. Midlands 93.00, N. East 94.00, Scotland 97.50. Other Milling Wheat: E. Midlands 97.00, N. East 97.30, Scotland 98.00.

RUBBER

The London physical market opened about unchanged, with little interest throughout the day, closing on an uncertain note. Lewis and Peat reported a fob October price for No. 1 RSS in Kuala Lumpur of 308 (308.25) cents a kilo and SMR 20 at 268 (267).

No. 1 R.S.S.	Yest'day Close	Previous Close	Business Done
Oct.	65.30-65.50	65.30-65.40	65.50-65.20
Nov.	66.50-66.60	66.10-67.60	66.60-66.30
Oct-Dec	68.60-68.90	68.60-69.00	69.30-68.60
Jan-Mar	72.60-72.40	72.50-72.40	72.70-72.60
Apr-Jne	75.60-75.70	75.75-75.60	75.80-75.40
Jly-Sept	78.20-78.40	78.30-78.50	78.50—
Oct-Dec	80.90-81.00	81.00-81.10	81.30-81.00
Jan-Mar	83.60-83.80	83.50-83.80	—
Apl-Jne	86.40-86.60	86.00-86.50	—

Sales: 309 (576) at 15 tonnes, 118 (24) at 5 tonnes.
Physical closing prices (buyer) were: Spot 63.75p (63.50p); Nov: 65.50p (same); Dec. 66.50p (69.50p).

SOYABEAN MEAL

The London market opened with losses of £1 on commission house selling, reports T. G. Roddick. Prices held steady in a narrow trading range as traders evened up positions ahead of the weekend.

	Yest'rday Close	+ or —	Business Done
	£ per tonne		
October	125.70-26.4	+0.00	126.00
December	131.30-31.4	—0.95	132.40-130.50
February	134.20-34.4	—1.15	134.50-134.70
April	134.70-35.0	—1.75	135.50-134.70
June	134.50-36.0	—1.85	—
August	135.30-35.0	—1.35	135.60
October	132.50-33.0	—2.10	—

Sales: 539 (210) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £374.00 (£365.00) a tonne cif for Sept.-Oct.-Nov. shipments. White sugar daily price was £374.00 (£368.00).

Buying interest was stimulated by reports that Pepsi-Cola was considering reverting to sugar after unfavourable consumer reaction to sweeteners in Japan, reports C. Czarnikow. However, New York prices turned downwards in line with other commodities and the market closed some £10 below the highs.

No. 4 Con-tract	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
Oct	372.00-74.05	371.50-72.00	382.00-69.50
Jan	385.00-95.50	384.00-90.00	402.00-385.5
Mch	405.00-05.50	403.00-06.25	410.50-05.50
May	401.00-01.50	403.60-04.00	411.50-01.50
Aug	384.00-84.50	388.50-88.70	394.00-84.50
Oct	360.00-63.50	368.00-69.25	375.50-65.50
Jan	320.00-32.00	358.40-39.50	342.50-40.00

Sales: 11,847 (8,750) lots of 50 tonnes.

NUMBER 2 CONTRACT—Close (in order: buyer, seller, business, sales): Oct. 360.00, 374.00, 385.00-373.00, 123. Sales: 123 (131).

Tate and Lyle ex-refinery price for granulated basis white sugar was £342.0 (same) a tonne for home trade and £463.50 (£455) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for Sept. 25: Daily price 37.91 (36.80); 15-day average 35.12 (34.78).

POTATOES

LONDON POTATO FUTURES—Some short-selling on a quiet market moved value slower at the close, after near unchanged trades for most of the day, reports Coley and Harper. Closing prices: Nov. 43.50 —10, high 43.80, low 43.50; Feb. 51.30 —30, high 51.50; April 59.00 —50, high 59.60, low 59.00. Total traded: 32 (18) lots of 40 tonnes.

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo. Oct. 358, 365, nil; nil; Dec. 368, 371, Nil, nil; Jan. 368, 372, 371, 8; March 372, 378, 374-373, 7; May 376, 382, 381-376, 8; Aug. 376, 382, 381, 8; Oct. 376, 383, 383—5; Dec. 384, 388, 383, 5; Jan. 384, 388, 386-384, 4; March 383, 388, nil, nil. Sales: 43.

*

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone. Shelf cod £4.50-£5.60, codlings £2.50-£4.50; large haddock £4.40-£4.80, medium £2.80-£3.40, small £1.80-£2.60; large plaice £5.00-£5.80, medium £4.00-£5.00, best small £2.20-£3.20, large skinned dogfish £3.50, medium £2.80-£3.80; large lemon soles £8.00, medium £7.00.

COTTON

LIVERPOOL — Spot and shipment sales amounted to 44 tonnes, bringing the total for the week to 753 tonnes, against 444 tonnes in the previous week. There was little additional demand and orders remained in few hands. African and North American styles attracted most attention.

AMERICAN MARKETS

NEW YORK, Sept. 26.

PRECIOUS METALS and copper declined on heavy liquidation prompted by reports of peace efforts by the Moslem countries, and also reports that Iran was selling gold to support their peace efforts. The lack of follow-through buying in sugar pushed prices to show limit declines. Commission house liquidation in coffee and cocoa pressured values. Lack of commission house buying and carry-over selling from the grain markets pressured the livestock complex. Grains were sharply lower on sympathetic selling from other markets. Cotton was depressed on Chinese export cancellation, reported Heinold.

Copper—Oct. 92.15 (96.90), Nov. 93.10 (98.00), Dec. 94.05, Jan. 94.85, March 96.40, May 97.85, July 99.30, Sept. 100.75, Dec. 103.10, Jan. 103.90, March 105.55, May 107.20, July 108.65. Sales: 17,200.

¶Gold—Oct. 669.5 (708.01), Nov. 693.2 (718.2), Dec. 703.5, Feb. 721.5, April 739.8, June 758.5, Aug. 777.8, Oct. 796.9, Dec. 816.7, Feb. 836.9, April 857.5, June 878.5.

Potatoes (round whites)—Nov. 91.7 (93.4), March 129.0 (134.0), April 150.6.

Sugar—No. 11: Oct. 37.74 (38.70), Jan. 38.95 (40.85), March 40.29, May 39.87, July 38.79, Sept. 38.89, Oct. 36.14, Jan. 33.95. Sales: 19,450.

Tin—798.0-815.0 (805.0-815.0).

CHICAGO, Sept. 26.

Chicago Imm Gold—Oct. 671.0 (708.5), Dec. 687.5 (728.5), Jan. 696.0, March 712.3, April 720.8, June 739.0, July 748.0, Sept. 766.4.

Lard—Chicago loose 22.50 (2.75). New York prime steam unavailable.

Live Cattle—Oct. 67.82 (68.27), Dec. 69.30 (70.17), Jan. 70.60, Feb. 71.12, April 72.97, June 73.87, August 73.90, Oct —, Dec 74.00.

Live Hogs—Oct. 46.65 (46.87), Dec. 49.20 (49.70), Feb. 52.65, April 51.50, June 54.90, July 56.10, August 53.30, Oct. 54.20, Dec. 55.10.

‡‡Maize—Dec. 344½-345½ (351½), March 356-356¾ (362½), May 361½-361¾, July 361½, Sept. 352, Dec. 345½-346.

Pork Bellies—Feb. 64.80 (66.70), March 64.80 (66.80), May 66.25, July 66.75, August 65.50.

Silver—Oct. 2060.0 (2285.01), Nov. — (—), Dec. 2227.5, Feb. 2288.5, April 2349.5, June 2410.5, August 2471.5, Oct. 2532.5, Dec. 2593.5, Feb. 2655.5, April 2717.5, June 2779.5, August 2841.5, Oct. 2903.5, Nov. —, April —.

†Wheat—Dec. 496½-498 (508), March 515-517½ (528¼), May 523, July 514½-515, Sept. 522½, Dec. 533½.

WINNIPEG, Sept. 26. §Barley—Oct. 136.50 (137.70), Dec. 138.90 (140.10), March 140.00, May 140.80, July 140.30.

†Soyabeans—Nov. 805-807 (834½), Jan. 827-829 (855½), March 849-848, May 859-860, July 861½-862½, Aug. 854, 855, Sept. 818, Nov. 794½.

Soyabean Oil—Oct. 25.15 (25.90), Dec. 25.75-25.70 (26.58), Jan. 26.00-20.05, March 26.65-26.70, May 26.95, 27.00, July 27.40, August 27.30-27.40, Sept. 27.20-27.25, Oct. 27.25, Dec. —.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. || $ per short ton (2,000 lbs). § $Can per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen.

INDICES

FINANCIAL TIMES

Sept. 25	Sept. 24	M'nth ago	Year ago
277.24	279.60	273.96	288.86

(Base: July 1, 1952=100)

MOODY'S

Sept. 25	Sept. 24	M'nth ago	Year ago
1312.1	1526.9	1234.2	1179.6

(December 31, 1931=100)

DOW JONES

Dow Jones	Sept. 25	Sept. 24	Month ago	Year ago
Spot	421.29	428.01	444.58	417.56
F'ture	479.90	483.76	464.67	422.76

(Average 1924-25-26=100)

REUTERS

Sept. 26	Sept. 25	M'nth ago	Year ago
1758.8	1761.4	172.64	1659.0

(Base: September 18, 1931=100)

Orkney bonus

OLD AGE pensioners and disabled people in Orkney will again get a £10 Christmas bonus. It will come from a special islands council fund provided from the proceeds of North Sea oil-related operations.

Bonds repayment

THE TREASURY says that 9½ per cent British Savings Bonds (first issue) purchased between July 16 1975 and January 15, 1976, will be repaid, upon application by the holder, at £103 per cent on January 15, 1981. No interest will be payable on the bonds after they mature and they can be repaid only upon application by the holder.

Stock Exchange dealings

Thursday, September 25	20,127
Wednesday, September 24	20,806
Tuesday, September 23	22,444
Monday, September 22	21,813
Friday, September 19	19,648
Thursday, September 18	20,602

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days, these are distinguished by the date shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ✦ Bargains done for delayed delivery or "no buying-in." SA—$Australian; SB—$Bahamian; SC—$Canadian; SHK—$Hong Kong; SJ—$Jamaican; SMa—$Malayan; SMe—$Mexican; SNZ—$New Zealand; SS—$Singapore; $US—$United States⊕ SWI—$West Indian.

BRITISH FUNDS (369)

12½pc Treasury Ln. 1993 96½ ⅝ (24/9)
12¾pc Treasury Ln. 1992 98¼ ⅝ ½ ¼ (24/9)
12½pc Treasury Ln. 1995 100¼⊕ 95½
13¼pc Treasury Ln. 1997 101½⊕ ½ 1 ⅛
13½pc Treasury Ln. 1993 105⊕ ¼
14½pc Treasury Ln. 1994 109¼
15½pc Treasury Ln. 1999 115½ ⅝
15½pc Treasury Ln. 1998 111½⊕
2½pc Treasury stk. on or after 1st April 1975 20¼⊕
3pc Treasury stk. 1982 91⅝⊕ ⅝ ½ 15/16

Birmingham District Council 12½pc 99¾.)3pc 98¼ (24/9)
Bristol (City of) 13¼pc 99½ (23/9)
Cardiff Corp. 7pc 89¼⊕
Croydon Corp. 6¾pc 91⅞⊕
Dudley Metropolitan Borough 17pc 99 15/32 31.64ths (19/9)
Dundee Corp. Water 3½pc 21 (19/9)
Glasgow Corp. 9½pc 91⅞ (23/9)
Greenwich (London Borough) 11¾pc 94 (24/9)
Hertfordshire County Council 5½pc 77¼ (24/9). 6½pc 75⊕
Leicester (City of) Floating Rate 99 9-64ths (19/9)

INTERNATIONAL BANK

CORPORATIONS (16)

COMMONWLTH. GOVTS. (4)

FOREIGN STOCKS (1)

BANKS (89)

BREWERIES (69)

COMMERCIAL (1,297)

A—B

Berisford (S. & W.) (25p) 190⊕ 2½ 6 4 5. 7½pcPf. 47 6 (22/9)
Bestobell (25p) 303 (23/9)
Bevan (D. F.) (Hldgs.) (5p) 21½⊕
Bibby (J.) Sons (50p) 234
Bifurcated Engg. (25p) 36 5 (22/9)
Birmid Qualcast (25p) 220. 7½pcLn. 60 (23/9)

C—D

E—F

East Midland Allied Press A (Limited Voting) (25p) 91 (22/9)
Eastern Produce (Hldgs.) (50p) 85 (23/9)
Elbief (10p) 13
Electrical Industrial Secs. (25p) 75
Electrocomponents (10p) 790⊕ 709
Electronic Machine (25p) 35

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

ELEC. LIGHTING & POWER

FINANCIAL TRUSTS (45)

Lloyds and Scottish (20p) 166
London European Grp. (10p) 32 (22/9)
M and G Group (Hldgs.) (5p) 172 (23/9)
Manson Finance Tst. (20p) 55 (24/9)
Mercantile House Hldgs. (25p) 283 (24/9). New (25p) 295 (19/9)
Merrill Lynch Inc. ($US1.33⅓) £13⅛
Moorgate Mercantile Hldgs. (10p) 19½‡
H.M.C. Investments (12½p) 17 (24/9)
Provident Financial Grp. (25p) 141
Rosehaugh (10p) 174
Sime Darby Berhad (M$0.50) 71 (23/9)
Smith Bros. (25p) 43
United Dominions Trust (25p) 37½ 9
Wagon Finance (25p) 41

GAS (3)

Imperial Continental Gas 284⊕ 6. New Cap. 290⊕. 8pcLn. 114½⊕

INSURANCE (74)

Brentnall Beard (Hldgs.) (10p) 31 (22/9)
Britannic Assurance (5p) 261 50
Commercial Union (25p) 177⊕ 7 5 D
Eagle Star Hldgs. (25p) 247 9
Equity Law Life (5p) 322 (24/9)
General Accident Fire Life (25p) 354⊕. 7¼pcLn. 62¼ (22/9)
Guardian Royal Exchange Assurance (25p) 350⊕ 6 7. 7pcLn. 63⅛ (23/9)
Hambro Life (5p) 29D 9 7 (24/9)
Heath (C. E.) (20p) 219 (24/9)
Hogg Robinson Group (25p) 126
Howden (Alexander) Group (10p) 193 4
Legal General Group (25p) 241 2
London Manchester (5p) 218
London United Invests. (20p) 155 (22/9)
Marsh McLennan ($US1) £27⅝⊕ 9⅝
Minet Hldgs. (20p) 106⊕ 5
Moran (Christopher) Group (20p) 24 (19/9)
Pearl Assurance (5p) 428 (24/9)
Phoenix Assurance (25p) 300⊕ 2
Provident Life (Reg.) (25p) 200
Prudential Crpn. (25p) 261⊕ 2
Refuge Assurance (5p) 238
Royal Insurance (25p) 469 72 3 70
Sedgwick Group (10p) 122 1
South British Insurance (NZ$1) 117 (19/9)

INVESTMENT TRUSTS (94)

Viking Resources (25p) 145⊕ 4½⊕ 3½⊕ ½⊕ 40
Winterbottom (25p) 274 (23/9)
Witan (25p) 119 (24/9). 8pcDb. 63
Young Companies 122 (19/9)

UNIT TRUSTS (3)

M G Dividend Fund Income Units 144½ (19/9)
M G Extra Yield Fund Income Units 83½⊕
M G Far Eastern General Fund Income Units 85½⊕. Accumulation Units 109
M G General Trust Fund Income Units 236.8 (23/9)
M G High Income Fund Income Units 117½ (24/9)

MINES

Australian (21)

Emperor Mines ($A0.10) 205 (23/9)
Hampton Gold Mining (10p) 240 (22/9). New (10p) 237 (24/9)
North Kalgurli ($A0.30) 111⊕ 16⊕ 10 D 7 9
Paringa Mining (5p) 54⊕
Western Mining Hldgs. ($A0.50) 295⊕ 9 6 7 4

Miscellaneous (173)

AMAX Inc.Shs. 22⅛⊕ ¼. 8pcDb. £25 (22/9)
Asarco Incorp. Srs. 20½ (19/9)
Beralt Tin (25p) 72 (24/9)
Burma Mines (10p) 14
Charter Consld. (Reg.) (2p) 273⊕ 70⊕ 80 80⊕ 2⊕ 76 9 5 80 7 5. Do.(Br.) (2p) 267 75 88 (24/9)
Consld. Gold Fields (25p) 647 8 5 3. 8¼pcLn. 66½ 7½ ¼ (22/9)
Geevor Tin (25p) 165 (23/9)
Malayan Tin Dredging ($M 0.10) 113⊕ 15⊕
Northgate Exploration ($C1) 560
Rio Tinto-Zinc Cpn. (Reg.) (25p) 481⊕ 77 3 2 5. Ord. (Br.) (25p) 477. Accum. Ord. (25p) 467. 3.325pcAPf. 38½ (24/9). 3.5pcBPf. (Reg.) 35 (24/9). 9½pcLn. 11½⊕ 12½⊕ 11½⊕ 10½ 11½ 11 10¾ 12 ½ pm
Silvermines (Ir.£0.02½) 112 13 15‡ ½‡

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
LASMO	25p	12	735	− 5	830	337
Shell Transport	25p	8	426	− 2	432	314
De Beers Defd.	R0.05	7	498	+ 2	553	368
BP	25p	7	384	− 4	412	320
RTZ 9¼pc Conv. Uns. Ln. '85-2000	Nil/Pd.	7	£11pm	− ½	£15pm	£11pm
BAT Inds.	25p	6	280	+ 5	295	223
BTR	25p	6	362	− 6	389	208
Charterhouse Petroleum	25p	6	90	− 3	93	72
ICL	25p	6	162	− 8	196	111
KCA Intl.	25p	6	148	+ 7	148	41
Premier Cons.	5p	6	93	− 1	99	36
Racal Electronics	25p	6	310	− 2	341	175
Tricentrol	25p	6	368	−10	414	250
Brown & Jackson	20p	5	92	+12	220	80
Ultramar	25p	5	440	− 3	443	206

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1980 high	1980 low
LASMO	25p	55	735	+45	830	337
De Beers Defd.	R0.05	54	498	− 2	553	368
BP	25p	52	384	+22	412	320
Ultramar	25p	51	440	+58	443	206
Cons. Gold Fields	25p	50	643	+18	657	385
Minorco	BD$1.40	48	610	+142	690	325
Vaal Reefs	R0.05	45	£40	+ ⅞	£45	£20⅞
RTZ 9¼pc Conv. Uns. Ln. '95-2000	Nil/Pd.	44	£11pm	− 1†	£15pm	£11pm
Shell Transport	25p	44	426	+10	432	314
Johnson Matthey	£1	41	252	−13	284	102
Anglo-American Corp.	R0.10	39	850	+45	880	485
Premier Cons.	5p	39	93	+ 3	99	36
GEC	25p	38	513	−17	540	326
Rustenburg Plat.	R0.10	34	332	−16	370	184
KCA Intl.	25p	31	148	+27	148	41

† Based on Tuesday's opening price.

Glenlivet cuts fuel costs

BY RAY PERMAN, SCOTTISH CORRESPONDENT

A WASTE heat recovery system opened at the Glenlivet whisky distillery on Speyside will save £90,000 a year in fuel costs.

The distillery, part of the Seagrams UK group, uses liquid petroleum gas to heat its six stills and until now has discharged waste gases into the atmosphere at temperatures between 250 and 500 degrees centigrade.

Using a ducting system, and a new steam boiler, the gases will be used to make steam for the neighbouring "dark grains" plant, which produces animal feed, an important bi-product of the industry.

Mr. Bill Falconer, Project Engineer for the Glenlivet Group said the system, which costs £220,000 to install, is expected to save £90,000 a year. With government grants it should pay for itself in two years.

All the steam used in the dark grains dryers is produced by oil fired boiler. With the heat recovery system in operation the oil bill will be reduced by a quarter.

"Our fuel costs have risen so substantially in recent years that we cannot afford to ignore ways of making use of our waste heat," Mr. Falconer said.

The group is considering a similar installation at its Glen Grant distillery, which would produce steam to heat stills at the neighbouring Caperdonach distillery.

Housing contest for architects

PRIZE-MONEY of £10,000 is offered in a contest for architects and developers to design a private housing project. The winner of the £5,000 first prize will also receive a building licence to build and sell his scheme.

A nine-acre site at Pope Lane, Penwortham, Preston, has been allocated for the project, which is sponsored by Central Lancashire development corporation.

The scheme, run with the Royal Institute of British Architects, aims to provide mainly low-cost homes for first-time buyers.

[illegible]

Rhodesian (26)

[illegible]

South African (176)

[illegible]

West African (9)

[illegible]

Diamond (10)

[illegible]

OIL (287)

[illegible]

PROPERTY (77)

[illegible]

RUBBER (7)

[illegible]

UK RAILWAYS (2)

[illegible]

FOREIGN RAILWAYS

[illegible]

SHIPPING (20)

[illegible]

TEA (1)

[illegible]

CANALS (1)

[illegible]

WATER WORKS

[illegible]

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange

SEPTEMBER 25

[illegible]

SEPTEMBER 24

[illegible]

SEPTEMBER 23

[illegible]

SEPTEMBER 22

[illegible]

SEPTEMBER 19

[illegible]

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange

* Denotes Irish currency.

SEPTEMBER 25

[illegible]

SEPTEMBER 24

[illegible]

SEPTEMBER 23

[illegible]

SEPTEMBER 22

[illegible]

SEPTEMBER 19

[illegible]

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration

* Denotes Irish currency.

SEPTEMBER 25

[illegible]

SEPTEMBER 24

Aran Energy 340 4 0 50 2 8 60
Berkeley Exploration and Production (50p paid) 204 5 7 0 9 10 11 12 13 15
Candecca Resources 221 2 3 4 5 0
CCP North Sea Associates 201 4 0 70
Cluff Oil 340 5
Gas and Oil Acreage 430 5
Marinex Petroleum 147 8 50 2

SEPTEMBER 23

[illegible]

SEPTEMBER 22

[illegible]

SEPTEMBER 19

[illegible]
Berkeley Exploration and Production (50p pd) 193 4 5
Candecca Resources 200 10 11
CCPU North Sea Associates 253 7 0 80
Cluff Oil 326
Gas and Oil Acreage 415 20
Marinex Petroleum 145
Pict Petroleum 375
Sovereign Oil and Gas 300 1 2 3 5
Sun Oil (UK) Oil Royalty (R)C (fully pd) 535 40 50

(By permission of the Stock Exchange Council)

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley 051 548 6555	13¼	½-year	1,000	4-5

BUILDING SOCIETY RATES

	Deposit rate	Share accounts	Sub'pn shares	*Term shares
	%	%	%	%
Abbey National	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Aid to Thrift	10.65	11.37	—	—
Alliance	10.25	10.50	11.75	12.50 5 yrs., 11.75 3 mths.
Anglia	10.25	10.50	11.75	13.00 6 yrs., 12.50 5 yrs.
Bradford and Bingley	10.25	10.50	11.75	11.25 one month's notice deposit
Bridgwater	10.25	10.50	12.00	12.50 5 yrs., 12.00 4 yrs., 11.60 2½ yrs.
Bristol and West	10.25	10.50	11.75	—
Bristol Economic	10.25	10.50	11.75	10.75 3 months
Britannia	10.25	10.50	11.75	12.50 5 yrs., 11.25 3 months' notice
Burnley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cardiff	10.25	11.50	12.50	—
Catholic	10.25	10.50	11.65	— Share a/cs 10.95 over £5,000
Chelsea	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cheltenham and Gloucester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cheltenham and Gloucester	—	11.50	—	— Premium shares (including 1.00 bonus p.a. (£15,000 or £20,000)
Citizens Regency	10.25	10.85	12.05	12.85 5 yrs., 12.35 4 yrs., 11.85 3 yrs.
City of London (The)	10.50	10.80	11.80	12.00 Capital City shares—4 mth. not.
Coventry Economic	10.25	10.50	11.75	12.00 4 yrs., 11.5 3 yr., 11.25 3 mth. not.
Coventry Provident	10.25	10.50	12.50	12.55 av. 5 yrs., 12.00 4 yrs., 11.25 3 m.n.
Derbyshire	10.25	10.50	11.75	11.30 3 months' notice
Ealing and Acton	10.25	10.50	—	11.65 2 years, £2,000 minimum
Gateway	10.25	10.50	11.75	12.50 6 yrs., 12.00 4 yrs., 11.50 3 yrs.
Greenwich	10.25	10.75	12.00	12.75 5 yrs., 12.25 4 yrs., 11.75 3 yrs.
Guardian	10.25	10.75	—	12.25 6 mth., 11.75 3 mth., min. £1,000
Halifax	10.25	10.50	11.75	12.50 6 yrs., 12.00 4 yrs., 11.50 3 yrs.
Heart of England	10.25	10.50	11.75	12.50 5 yrs., 11.00 3 months' notice
Hearts of Oak and Enfield	10.25	10.75	12.25	12.00 4 yrs., 11.75 3 yrs., 11.50 2 yrs.
Hendon	10.50	11.00	—	12.00 8 months, minimum £2,000
Huddersfield and Bradford	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Lambeth	10.25	10.75	12.50	12.50 5 yrs., 12.00 6 months' notice
Leamington Spa	10.35	10.60	14.19	12.50 5 yrs., 12.30 4 yrs., 11.90 3 yrs.
Leeds Permanent	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Leicester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Liverpool	10.25	10.50	11.95	12.50 5 years, minimum £1,000
Melton Mowbray	10.35	10.60	11.75	13.10 6 yrs., 12.10 4 yrs., 11.35 2 yrs.
Mornington	10.75	11.75	—	—
National Counties	10.50	10.50	11.80	11.90 6 mth., 11.35 3 mth., min. £1,000
Nationwide	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.00 1 yr.
New Cross	11.00	11.25	—	11.25 12.50 on share accs., depending on min. balance over 6 mths.
Northern Rock	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Norwich	10.25	10.50	12.00	11.50 3 yrs., 11.25 2 yrs., min. £500
Paddington	10.00	11.00	12.50	11.75 6 mth., 12.00 wdl. 1 mth. loss int.
Peckham Mutual	10.50	11.00	—	—
Portman	10.25	10.50	11.75	12.50 5 yrs., 11.55 6 months' notice
Property Owners	10.25	10.50	11.75	12.50 av. 4 yrs., 12.8 mth., 11.55 3 mth.
Provincial	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Skipton	10.25	10.50	11.75	12.50 5 yrs., 11.6 WDL 1 mth. loss int.
Sussex County	10.50	10.75	12.55	12.55 5 yrs., 12.15 4 yrs., 11.75 3 yrs.
Sussex Mutual	10.25	10.55	12.50	12.25 all with special options
Town and Country	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Walthamstow	10.25	10.50	11.75	12.50 5 yrs., 11.6 6 mth. not. min. £500
Wessex	10.50	11.20	—	12.60 6 mth. not. WDL min. 3 yrs.
Woolwich	10.25	10.50	11.75	10.75 (6 mths.), rising to 12.50 (5 yrs.)

*Rates normally variable in line with changes in ordinary share rates.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

UK MONEY MARKET

Bank of England Minimum Lending Rate 16 per cent (from July 3, 1980)

The Treasury bill rate rose by 0.2001 per cent at yesterday's auction to 14.3317 per cent, and the minimum accepted bid fell to £96.425 from £96.44. Bids at that level were met as to about 73 per cent and above in full. The £200m bills on offer attracted bids of £781.435m, and all bills offered were allotted. 92-day bills were allotted at £96.39 and above in full. Next week a further £200m will be on offer, replacing maturities of £300m.

Day to day credit was in short supply in the London money market, and the authorities gave assistance on a small scale. This comprised small purchases of Treasury bills and a small number of local authority bills all direct from the discount houses. The main factor working against the market was the call on Treasury 11¾ per cent 1991 stock. There was also a small net take-up of Treasury bills to finance, and a small increase in the note circulation. On the other hand banks brought forward balances a small way above target, and Government disbursements exceeded revenue transfers to the Exchequer by a large amount.

In the interbank market week-end money opened at 16¼-16⅝ per cent, and eased to 15¾-16¼ per cent, before closing around 16¼ per cent.

EXCHANGES AND BULLION

There was no clear pattern to trading in the foreign exchange market yesterday, with several factors combining to give a generally confused picture. Lack of fresh news from the Middle East left the market nervous, while the proximity of the month end also restricted trading. There was also the latest round of prime rate rises to digest as well as Thursday afternoon's decision by the U.S. authorities to increase the discount rate to 11 per cent. The dollar may have been slightly firmer overall, but showed mixed changes, losing ground to the Japanese yen, but improving against the D-mark. The dollar rose to DM 1.8015 against the D-mark from DM 1.7980, and SwFr 1.6450 from SwFr 1.6440 in terms of the Swiss franc. The yen was firmer with the U.S. unit falling to Y211.50, compared with Y214.70 previously. On Bank of England figures, the dollar's trade weighted index was unchanged at 83.8.

Sterling traded quietly for most of the day, finishing unchanged from Thursday's levels, but down from levels seen earlier in the day. Its trade weighted index remained at 76.1.

THE POUND SPOT AND FORWARD

Sept. 26	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.3900-2.4013	2.3915-2.3925	0.70-0.60c pm	3.26	1.57-1.47 pm	2.54
Canada	2.7870-2.8015	2.7930-2.7940	1.40-1.30c pm	3.80	3.00-2.90 pm	4.22
Nethlnd.	4.67½-4.71½	4.68¼-4.69¼	2¾-1¾c pm	5.76	5½-5⅞ pm	5.44
Belgium	69.10-69.65	69.15-69.25	28-18c pm	3.99	60-50 pm	3.18
Denmark	13.29-13.39	13.30-13.31	⅛-1½ore dis	−0.73	3¾-4⅝ dis	−1.19
Ireland	1.1465-1.1515	1.1470-1.1480	0.12-0.03p pm	0.78	0.32-0.23 pm	0.96
W. Ger.	4.30-4.34	4.30¾-4.31¾	3½-2½pf pm	7.30	7½-6½ pm	5.49
Portugal	118.60-120.40	118.70-119.90	5-50c dis	−2.75	10-125 dis	−2.25
Spain	176.45-177.00	176.50-176.60	110-165c dis	−9.34	320-400 dis	−8.10
Italy	2,055-2,070	2,058-2,059	6¾-8¾ lira dis	−4.52	35½-38½ dis	−7.19
Norway	11.63-11.69¾	11.63¾-11.64¾	4-2¾ore pm	3.22	9¾-7¾ pm	2.88
France	10.00-10.08	10.00½-10.01½	4-3c pm	4.19	9-8 pm	3.40
Sweden	9.93-9.98	9.93½-9.94½	1-1¾ore dis	−1.66	4½-5 dis	−1.84
Japan	503-519	505½-506½	1.60-1.00y pm	3.08	4.05-3.45 pm	2.96
Austria	30.57-30.72	30.60-30.65	14-10gro pm	4.70	30-24 pm	9.53
Switz.	3.92½-3.96½	3.93-3.94	3½-2½c pm	9.91	10-9 pm	9.66

Belgian rate is for convertible francs. Financial franc 69.60-69.70. Six-month forward dollar 1.80-1.70c pm, 12-month 2.05-1.95c pm.

GOLD

	Sept. 26		Sept. 25	
Gold Bullion (fine ounce)				
Close	$697-700	(£291¼-292¾)	$694-697	(£289¾-290½)
Opening	$701-704	(£293¼-293¾)	$705-709	(£293¾-295)
Morning fixing	$697	(£290.920)	$705	(£293.689)
Afternoon fixing	$698.75	(£291.071)	$697.75	(£290.342)
Gold Coins				
Krugerrand	$715-715	(£297½-299½)	$719-717	(£298-300)
1/2 Krugerrand	$368-375	(£152-157)	$367½-370½	(£155-156)
1/4 Krugerrand	$186-191	(£77-80)	$187-190	(£77-80)
1/10 Krugerrand	$76-79	(£31-33½)	$79-79½	(£31½-33½)
Mapleleaf	$707-711	(£290-297)	$709-713	(£293½-297½)
New Sovereigns	$175-177	(£70½-74½)	$170¼-177¼	(£70½-74½)
King Sovs	$195-197	(£81½-82½)	$195-197	(£81-83)
Victoria Sovs	$195-197	(£81½-82½)	$195-197	(£81-82)
French 20s	$168-171		$168-170	
50 pesos Mexico	$863-866		$860-864	
100 Cor. Austria	$685-689		$688-692	
$20 Eagles	$794-798		$790-793	

EXCHANGE CROSS RATES

Sept. 26	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.392	4.313	506.0	10.01	3.936	4.688	2058.	2.794	69.30
U.S. Dollar	0.418	1.	1.803	211.5	4.185	1.645	1.960	860.2	1.168	28.95
Deutschemark	0.232	0.555	1.	117.3	2.321	0.912	1.087	477.1	0.648	16.05
Japanese Yen 1,000	1.976	4.727	8.525	1000.	19.78	7.777	9.264	4066.	5.521	136.8
French Franc 10	0.999	2.390	4.308	505.0	10.	3.931	4.683	2055.	2.791	69.15
Swiss Franc	0.254	0.608	1.096	128.6	2.544	1.	1.191	522.9	0.710	17.59
Dutch Guilder	0.213	0.510	0.920	107.8	2.103	0.839	1.	438.9	0.596	14.78
Italian Lira, 1,000	0.486	1.163	2.098	245.9	4.865	1.913	2.278	1000.	1.359	33.63
Canadian Dollar	0.358	0.856	1.544	181.1	3.585	1.409	1.679	736.5	1.	24.77
Belgian Franc 100	1.443	3.457	6.232	731.2	14.47	5.686	6.774	2975.	4.037	100.

FT LONDON INTERBANK FIXING (11.00 a.m. SEPTEMBER 26)

3 months U.S. dollars		6 months U.S. dollars	
bid 13	offer 13 1/8	bid 13 1/4	offer 13 3/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

LONDON MONEY RATES

Sept. 26 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	10⅛-15½	—	—	—	15¼-16⅜	15¼-15¾	—	—	—
2 days notice	—	—	10¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	10¼-16⅝	16⅝	—	15½	16⅝-16¾	15½-15¾	—	—	—
One month	16¼-15⅛	16⅛-10¼	16¼	17¼-17½	16 9/16	16⅝-16¾	15⅛	14 13/16	16⅛	15⅞
Two months	16 1/16-15⅛	10-16⅛	—	17⅛-17⅝	16 5/16	—	14¾-15	14½	15⅝-15 11/16	16⅜
Three months	15¾-15⅝	15 11/16-15 13/16	16⅝-15¾	16-10½	16	15¼-15⅜	14¼-14½	14⅜-14 11/32	15⅛	16
Six months	14⅛-14 1/16	14⅛-15	14¾	14⅞-15¼	15⅞	15½	—	—	13¾-15⅞	14⅝
Nine months	14⅓-14	14¼-14⅜	—	14½-14⅞	14 5/16	13	—	—	—	—
One Year	15¾-15⅝	13 13/16-14 1/16	13⅞-14	14⅛-14⅝	14 1/16	14¾	—	—	—	—
Two years	—	—	13⅝-13⅞	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 13½-13¾ per cent; four years 13½ per cent; five years 13¾-13½ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 14 21/32-14¾ per cent; four-month trade bills 15¼ per cent.

Approximate selling rate for one-month Treasury bills 14 9/32-14 11/32 per cent; two-months 14 5/32-14¼ per cent; three-months 14 7/32 per cent. Approximate selling rate for one-month bank bills 16 per cent; two-months 15⅞-15 15/16 per cent; three-months 15-15 1/16 per cent; one-month trade bills 16⅝ per cent; two-months 16⅜ per cent and three-months 15¾ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 16½ per cent from September 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 14 per cent. Clearing Bank Rates for lending 15 per cent. Treasury Bills: Average tender rates of discount 14.3317 per cent.

CURRENCY MOVEMENTS

Sept. 26	Bank of England Index	Morgan Guaranty Changes%
Sterling	76.1	−29.9
U.S. dollar	83.8	−9.9
Canadian dollar	80.5	−17.4
Austrian schilling	104.8	+24.0
Belgian franc	114.0	+15.1
Danish kroner	100.9	−5.2
Deutsche mark	133.5	+45.3
Swiss franc	197.0	+79.9
Guilder	120.1	+19.9
French franc	100.5	−5.9
Lira	52.2	−53.1
Yen	134.4	+32.8

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EURO-CURRENCY INTEREST RATES (Market Closing Rates)

Sept. 26	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	—	11¾-12	8-9	9-9½	⅛-¼	8¾-9⅛	11⅛-11⅜	14-17	4¼-4½	20-22
7 days' notice	—	11⅛-12⅛	8-9	9¼-9⅜	7½-8	8¾-8⅞	11½-11¾	16-19	11½-11¾	15-15½
Month	16⅛-16¼	19 9/16-15 1/16	10-10⅜	9 5/16-9 11/16	5⅞-6	8⅞-9	11 11/16-19 1/16	20-29½	19½-19¾	19⅞-15
Three months	15¾-15⅛	13 7/16-13 9/16	11-11⅛	10-10⅛	6⅞-6	8 13/16-8 15/16	12-12¼	23¼-24¾	12⅛-13⅛	12½-19¾
Six months	16-15¼	13 7/16-13 11/16	11⅝-12	10-10⅛	6-6⅛	9¾-8⅛	19⅜-12⅝	93¾-20¼	13¼-13⅛	11½-11⅝
One Year	14⅛-14¼	13 1/16-13 3/16	19⅛-12⅛	10 1/16-10 3/16	5¾-5⅞	8 7/16-8 9/16	19⅝-12⅞	23-94½	13-13¼	10¼-10½

Long-term Eurodollar two years 12⅞-13⅛ per cent; three years 12⅞-13⅛ per cent; four years 12⅞-13⅛ per cent; five years 12⅞-13⅛ per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice. Asian rates are closing rates in Singapore.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 11.45-11.55 per cent; three-months 12.00-12.10 per cent; six months 12.30-12.40 per cent; one-year 12.10-12.30 per cent.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU September 26	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.6536	+2.17	+0.79	±1.53
Danish Krone	7.72336	7.83857	+1.47	+0.09	±1.64
German D-Mark	2.48208	2.53539	+2.15	+0.77	±1.125
French Franc	5.84700	5.88287	+0.61	−0.77	±1.3557
Dutch Guilder	2.74362	2.76386	+0.37	−1.01	±1.512
Irish Punt	0.668201	0.673717	+0.83	−0.55	±1.668
Italian Lira	1157.79	1206.06	+4.17	+2.87	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Sept. 26	£	$		£ Note Rates
Argentina Peso	4013-4633	1927-1934	Austria	30.40-30.70
Australia Dollar	2.0400-2.0440	0.8535-0.8540	Belgium	69.90-69.55
Brazil Cruzeiro	157.16-158.18	57.50-57.59	Denmark	13.39-13.43
Finland Markka	8.70-8.70	3.6540-3.6550	France	9.96-10.00
Greek Drachma	102.216-104.886	42.75-49.90	Germany	4.31-4.35
Hong Kong Dollar	11.95-11.96½	4.9925-4.9950	Italy	2050-2160
Iran Rial	n.a.	n.a.	Japan	508-513
Kuwait Dinar (KD)	0.638-0.644	0.2667-0.2669	Netherlands	4.69-4.72
Luxembourg Frc.	69.15-69.25	28.92-28.94	Norway	11.62-11.72
Malaysia Dollar	5.0850-5.0900	2.1260-2.1280	Portugal	117-120½
New Zealand Dlr.	2.4305-2.4405	1.0190-1.0200	Spain	171½-181½
Saudi Arab. Riyal	7.92-7.98	3.3185-3.3205	Sweden	9.94-10.04
Singapore Dollar	5.0350-5.0450	2.1035-2.1055	Switzerland	3.93-3.96
Sth. African Rand	1.8000-1.8010	0.7526-0.7530	United States	2.39-2.40
U.A.E. Dirham	8.80-8.86	3.6880-3.6900	Yugoslavia	72-74

Rate given for Argentina is free rate. Finland Sept. 25 (£) 8.755-8.785.

U.K. CONVERTIBLE STOCKS 27/9/80

Statistics provided by dataSTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Div.♡	Cheap(+) Dear(−)◊ Current
Bank of Ireland 10pc Cv. 91-96	1.20	152.00	47.6	77-81	6.8	4.4	−19.2	−18 to −8	0.0	9.7	5.2	+24.4
British Land 12pc Cv. 2002	7.71	301.00	333.3	80-97	4.1	1.5	−1.8	−6 to 4	17.2	92.1	24.4	+26.3
Hanson Trust 6½pc Cv. 88-93	3.02	97.00	57.1	76-81	6.7	6.9	−3.6	−7 to 1	3.1	0.0	−3.1	+0.4
Slough Estates 10pc Cv. 87-90	5.44	264.00	187.5	78-85	3.8		−2.2	−6 to 2	28.1	35.2	2.6	+4.8
Slough Estates 8pc Cv. 91-94	24.88	125.00	78.0	80-91	6.5	5.2	11.3	11 to 19	25.7	49.1	20.8	+9.5
Wilkinson Match 10pc Cv. 84-98	11.10	90.50	40.0	76-83	11.4	11.6	23.6	22 to 55	15.3	25.4	13.8	−9.8

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

Middle East situation continues to restrain trade

No respite for equities—Index down 27.9 on Account

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Sept. 15	Sept. 25	Sept. 26	Oct. 6
Sept. 29	Oct. 9	Oct. 10	Oct. 20
Oct. 13	Oct. 23	Oct. 24	Nov. 3

* "New time" dealings may take place from 9 am two business days earlier.

Still preoccupied with the Gulf war and its threat to oil supplies, London stock markets remained unsettled at yesterday's end of the trading Account. The unease was also continuing to reflect worries about UK manufacturing industry following GKN's recent shock interim statement and dividend cut.

Events connected with U.S. monetary trends gave stock markets added reason to show concern, particularly yesterday's announcement of fresh rises in U.S. prime rates. Government securities went easier initially on the U.S. Treasury Secretary's fears about rising interest rates, but were staging a recovery on small demand. But the improving tendency was cut short on Chase Manhattan's Prime rate increase to 13 per cent.

Business at both ends of the Gilt market remained thin because of current dampeners on investment initiative. Short and longer-dated stocks closed with losses extending to ⅜ but after the official close some were being quoted slightly above their 3.30 pm levels. After yesterday's final call of £44 per cent. Treasury 11¾ per cent 1991 A ended ¼ lower at 90¾ in fully-paid form.

Discounts lower

Leading shares continued to ease and most equity dealers were thankful that an uninspiring trading Account had reached its close. Once again, it was a dearth of interest rather than actual selling which caused widespread small falls. The creeping paralysis was well illustrated by the hourly movements in the FT Industrial Ordinary share index. In the absence of buying for the Account beginning on Monday, which is allowed without penalty after 3.30 pm, the index settled 3.4 down at the day's lowest of 481.0 for a fall on the Account of nearly 28 points.

Following receipt of the official offer documents, current Southern Rhodesian bonds were quoted in assented and non-assented form but business in both was disappointing. The Zimbabwe Settlement Annuity also made its debut and traded quietly at £310.

Interest in the Traded Option market was at a low ebb yesterday with only 843 deals done compared with the previous day's 1,394 and last Monday's 2,657. The week's daily average was 1,509.

Discount Houses gave ground on fading hopes of an early cut in interest rates and in sympathy with dull gilts. Union fell 20 to 500p and Allen Harvey and Ross 10 to 375p. Merchant banks plotted an irregular course in thin trading. End-Account profit-taking in the wake of the encouraging interim statement clipped 6 from Kleinwort Benson at 228p, but Brown Shipley rose 8 to 428p and Minster Assets edged forward 1½ to 64p. FC Finance became a weak counter among Hire Purchases, falling 7 to 78p; the interim results are due next Thursday. The major clearing banks rallied after-hours to close well above the day's lowest. Barclays finished a couple of pence better at 430p, after 426p.

Interest in the Brewery market remained at a low ebb, but fresh scattered offerings caused further dullness in Bass, down 2 for a loss of 9 on the week at 228p.

Tilbury Contracting became the second Building concern in consecutive days to report much worse-than-expected interim results and dropped 30 to 187p. Brown and Jackson, at 92p, recovered 12 of the previous day's loss of 40 what followed poor figures. Elsewhere in the sector, Taylor Woodrow shed 12 to 448p, and Newarthill 8 to 307p, but Barratt Developments continued to respond to the good preliminary results and scrip issue and put on 7 to 168p for a gain on the week of 25. Timbers trended firmer, Magnet and Southerns adding 5 to 165 and Montague L. Meyer 3 to 97p.

Fisons held at 200p, but registered a fall on the week of 12 on poor interim results, while ICI eased 2 to 350p on lack of interest. Among other Chemicals, International Paint encountered scrappy selling and shed 3 to 70p.

Fraser up again

In Stores, UDS hardened a penny to 72p but Marks and Spencer came on offer at 101p, down 3. Small selling in a thin market prompted a fall of 10 to 148p in Lee Cooper. S. Casket hardened a penny to 19p with the maintained dividend outweighing the drop in annual profits. Ahead of interim statements due next Monday and Thursday respectively, Currys, 214p, and Austin Reed, 68p, gained a penny apiece and, still drawing strength from the much-better-than-expected interim results, Grattan Warehouses put on 2 more making a jump on the week of 18 at 70p. Renewed speculative interest helped Cornell Dresses improve 2 more to 76p, while Waring and Gillow advanced 4 to 111p, the latter on the group's U.S. expansion moves.

Scattered offering and lack of support left the Electrical leaders at lower levels. Plessey were more vulnerable than most and finished 7 cheaper at 231p. GEC eased 4 to 513p and Racal a few pence to 310p. Elsewhere, Brocks Group reacted 4½ to 24½p in the late dealings following the half-year loss and passing on the interim dividend. Among the recent high-fliers, Electrocomponents lost 6 to 688p and Eurotherm 8 to 278p. Against the easier trend, Telefusion firmed 3 more to 31p, while Sound Diffusion also met support and put on 5 to 64p.

Comment on the interim results prompted dullness in Vickers which closed 6 cheaper at 127p. Movements in other leading Engineers were limited to a few pence either way. GKN ended the week on a steadier note at 180p, but still recorded a fall of 44 on the Account. Elsewhere, the sharp contraction in half-year earnings left Williams and James 13 down at 97p, but Haden Carrier continued to respond to the good interim results with a further rise of 5 to 151p. The increased half-yearly earnings and dividend left Hall Engineering 3 firmer at 173p. Brockhouse remained on offer and eased 2 further to 26p, while Richards of Leicester were also noteworthy for a fall of 3 to 33p. Further consideration of the interim results brought a reaction of 10 to 205p in APV.

Rank Org. down late

Among Foods, Tate and Lyle hardened 2 to 232p, but British Sugar eased 5 to 250p. Elsewhere, Kwik Save added a couple of pence to 138p on Press comment, but William Morrison, at 167p, relinquished 3 of the previous day's gain of 7 that followed the higher interim profits and the Board's cautiously optimistic statement on current trading. Hillards, however, put on 10 to 160p following the chairman's confident remarks at the annual meeting, while J. N. Nichols, still reflecting recent Press comment, added 5 to 280p in a thin market for a jump on the week of 45.

Hotels and Caterers were featured by Ladbroke which put on 4 to 211p following favourable Press comment. Kennedy Brookes added 5 to 88p in a thin market.

Up 14 the previous day on talk that the group had unveiled a new xerox machine in the U.S., Rank Organisation encountered renewed support and were standing a further 4 dearer at the "House" close; the shares retreated after-hours to close 4 down on balance at 156p on the announcement that the company proposes to sell, or close, the jointly owned Rank Toshiba subsidiary and its Rank Radio International subsidiary with likely losses amounting to £25m. Elsewhere in Miscellaneous Industrials, BTR eased to 352p before closing a nat 6 lower at 362p following news of the proposed £60m rights issue, while Bestobell advanced 9 to 313p on hopes that BTR might use some of the cash to make the long-rumoured second bid. Negretti and Zambra fell 6 to 30p on the omission of dividends on the Preference and Convertible Redeemable Preference shares, while Toye lost 6 to 58p on the interim loss. Comment on the interim dividend omission and first-half deficit left Hoskins and Horton down 10 for a drop on the week of 30 at 58p. ICL came on offer at 162p, down 8, while Aeronautical and General Instruments met end-Account profit-taking and lost 20 to 630p to reduce the week's gain to 65.

Among Television issues, HTV put on 4 to 119p in response to the preliminary results. Leisure concern Campari shed 3 to 47p; the annual results are due soon.

A penny easier ahead of the preliminary results, Group Lotus Car regained the overnight level of 19p following the announcement. Motor Components were featured by a gain of 6½ to 98p in Kwikfit on the sale of 81 tyre and exhaust depots to Dunlop for £3.2m. The latter enjoyed a reasonably active day's trading int he wake of Thursday's interim results and closed 3 off at 79p. In Garages, British Car Auction added 2 to 69p in response to a Press mention, but Manor National shed a penny to a 1980 low of 16p on the half-year loss and dividend omission.

Thoughts that interest rates would remain high for some time left Properties easier in places, Land Securities closing 4 cheaper at 376p and MEPC 2 off at 236p. A good market recently on satisfactory annual results and the proposed £6.35m rights issue, A. and J. Mucklow relinquished 7 to 203p, while Marler Estates shed 2 to 90p pending the outcome of bid approaches to the company. End-Account offerings clipped 4 from Trafford Park Estates, 150p, but Second City hardened a penny to 70p on a Press mention and Apex improved 2 to 154p, the last-named following a property revaluation.

KCA in demand

Oil shares encountered a fair amount of profit-taking after the recent useful advance sparked off by the conflict in the Middle East. However, renewed demand took KCA up 7 further to 148p for a rise of 27 on the week, while Warrior Resources were also good at 480p, up 70. On the other hand, Ultramar, the subject of persistent bid speculation over the last few day's reacted to 435p before picking up to close only 3 cheaper on balance at 440p. Tricentrol shed 10 to 368p, while Sun (UK) Royalty met selling and closed 85 lower at 475p, after 450p. Double Eagle lost 30 to 68p and Candecca 6 to 218p. Among the leaders, BP eased 4 to 384p and Shell finished 2 off at 426p.

Lonrho rallied from an initial dull level of 106p to close 2 higher on the day at 110p following hte revelation that a major new gold mine is to be started in the Erfdeel/Dankbaarheid area and that a subsidiary of Lonrho will hold a 36 per cent stake.

Among Textiles, favourable comment on the interim figures helped Tootal improve 2 further to 28½p, while the increased interim dividend and profits left F. Miller a penny harder at 39.

In Plantations, further profit-taking in the wake of the half-year figures left Barlow Holdings down 3 more at 93p, after 89p.

Golds erratic

South African Gold shares ended a dramatic week in erratic fashion with the market closing on an uncertain note as the bullion price hovered around the $700 an ounce level prior to closing $3 firmer at $698.5 per ounce.

Share prices opened higher, reflecting good American demand overnight, but quickly came under pressure following various rumours concerning the Iraq-Iran conflict.

However, prices thereafter staged a good rally on short covering and modest U.S. support to close well above the day's lowest.

Consequently, the Gold Mines Index showed a decline of only 0.2 on the day to 499.8, after its record 54.1 jump on Monday and the subsequent sharp falls on Tuesday, Wednesday and Thursday; the index lost a net 5 points on the week.

The erratic nature of the market was highlighted by the performance of the heavyweight issues. Among the latter, gains of around ¼ were common to Buffels, £25¾, Hartebeest, £41¼, and West Driefontein, £46¼. On the other hand, Western Deep gave up almost a point to £29¼, Western Holdings ¼ to £44¼ and Libanon ⅜ to £14¼.

South African Financials were mixed but generally managed to retain most of the gains registered on Monday. Anglo American Corporation dipped 10 for a week's net rise of 45 to 850p; the group will control 44.5 per cent of the new Eastern Holdings gold/uranium venture in the Orange Free State in which the other partners are the Lonrho group, "Amgold" and Western Holdings.

Australians moved up in line with overnight domestic markets, with the buying emphasis on the Golds and the Rundle twins.

In Golds, GMK put on 10 more to 555p and North Kalgurli 4 to 111p, while the Rundle twins registered 1980 highs ahead of Monday's nine-for-one scrip issues, Central Pacific advancing £2¼ to £39 and Southern Pacific a point to £14¾.

FINANCIAL TIMES STOCK INDICES

	Sept. 26	Sept. 25	Sept. 24	Sept. 23	Sept. 22	Sept. 19	A year ago
Government Secs	70.02	70.24	70.21	70.19	70.24	70.79	72.70
Fixed Interest	71.47	71.51	71.70	71.70	71.84	72.09	72.92
Industrial Ord.	481.0	484.4	483.3	485.1	487.3	494.4	470.7
Gold Mines	499.8	500.0	517.0	542.6	558.9	504.8	250.2
Ord. Div. Yield	7.63	7.58	7.54	7.51	7.49	7.40	6.84
Earnings, Yld. % (full)	17.22	17.10	17.13	17.07	17.01	16.87	17.73
P/E Ratio (net) (*)	7.11	7.16	7.15	7.17	7.20	7.27	6.88
Total Bargains	99,215	20,127	20,806	22,444	21,813	19,648	17,534
Equity turnover £m.	—	127.63	132.49	150.92	138.29	116.27	91.06
Equity bargains total	—	16,243	16,346	17,032	17,189	14,680	13,462

10 am 482.6. 11 am 482.5. Noon 482.7. 1 pm 482.8. 2 pm 482.2. 3 pm 481.6.
Latest Index 01-246 8026.
*Nil=5.62.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt Secs.	72.54 (21/7)	63.85 (7/5)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	74.08 (24/7)	64.70 (10/5)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	508.9 (12/8)	406.9 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	558.9 (22/9)	265.5 (15/3)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Sept. 26	Sept. 25
—Daily		
Gilt Edged	86.6	79.5
Industrials	92.1	80.3
Speculative	105.9	115.4
Totals	72.9	65.3
5-day Avrge.		
Gilt Edged	89.8	89.8
Industrials	98.5	102.6
Speculative	123.9	117.1
Totals	77.1	77.7

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Sept. 22	Oct. 3	Dec. 18	Dec. 29
Oct. 6	Oct. 17	Jan. 8	Jan. 19
Oct. 20	Oct. 31	Jan. 22	Feb. 2

For rate indications see end of Share Information Service

Money was given for the call of KCA, Montague L. Meyer, Raglan Property, Endeavour Oil, Dunlop, Lonrho, First National Finance, Simmer and Jack, Grootvlei, Burmah Oil, Johnson Firth Brown, Premier Consolidated, First Castle, Tesco, Tootal and Tebbitt. Puts were arranged in First National Finance and Carless Capel, while double options were transacted in Lonrho, First National Finance and Dunlop.

NEW HIGHS AND LOWS FOR 1980

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (24)

CANADIANS (1)
Hawker Siddeley Canada
BANKS (1)
Brown Shipley
BUILDINGS (2)
Barratt Developments, Crouch Group
ENGINEERING (3)
Chemring, Utd. Engineering, Hall Engineering
FOODS (1)
Nichols (J. N.) (Vimto)
HOTELS (1)
Ladbroke
INDUSTRIALS (2)
Bibby (J.), Standard Industrial
MOTORS (2)
BL, Kwik-Fit
PROPERTY (1)
Carrington Inv.
TRUSTS (4)
Oil & Assoc. Inv., Viking Resources, River Plate Defd., Rosehaugh
OIL AND GAS (2)
Century, KCA
MINES (4)
Atmex, Gopeng Cons., Southern Pacific, Colby Res. Corp.

NEW LOWS (32)

FOREIGN BONDS (2)
Chinese 4½pc 1898, Chinese 5pc '25 Boxer
BUILDINGS (1)
Heywood Williams
ENGINEERING (8)
Bamford (Wm.), Edbro, Brockhouse, Neill (J.), Butterfield Harvey, Richards (Leicester), Dupont, Weir Group
HOTELS (1)
Norfolk Capital
INDUSTRIALS (14)
Avon Rubber, Findlay Hardware, Beatson Clark, Hoskins & Horton, Burndene, Marshall's Universal, Cape Inds., Rockware, Caird, Sparrow (G. W.), Desoutter Intl., Watson (R. Kelvin), Dwek Group, Whitecroft
MOTORS (1)
Manor Nat.
SHIPPING (2)
Common Brothers, Sea Containers
OILS (1)
Sun (UK) Royalty
RUBBERS (1)
Cons. Plants.
TEAS (1)
Lawrie Plant.

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the Week Up	On the Week Down	On the Week Same
British Funds	1	73	21	107	179	189
Cpn., Dom. & Foreign Bonds	7	3	56	32	48	245
Industrials	160	261	970	713	1,734	4,512
Financial and Prop.	54	159	282	299	868	1,308
Oils	8	31	16	98	82	95
Plantations	—	7	17	11	34	75
Mines	43	44	70	202	296	287
Others	26	59	85	185	256	383
Totals	289	637	1,516	1,647	3,497	7,094

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Fri., Sept. 26, 1980; Thur., Sept. 25; Wed., Sept. 24; Tues., Sept. 23; Mon., Sept. 22; Year ago (approx.); Highs and Lows Index 1980 / Since Compilation

[illegible]

FIXED INTEREST PRICE INDICES

[illegible]

FIXED INTEREST YIELDS British Govt. Av. Gross Red.

[illegible]

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Quest Fund Mngmnt. (Jersey) Ltd.
PO Box 194, St. Helier, Jersey. 0534 27441

Quest Stlg. Fxd. Int.	£0.798	0.845	.....	14.79
Quest Intl. Secs.	US$1.141	1.227	.....	2.93
Quest Intl. Bd.	US$0.850	0.90	.....	11.11

Prices on Sept. 24. Next dealing Oct. 1.

[illegible]

NOTES

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	53.1	57.1	−0.6	2.54
Abbey Capital	42.9	46.4	−0.1	5.28
Abbey General	53.7	58.1	−0.1	5.40
Abbey Gilt & F.I. Tst.	112.3	118.2	−0.3	11.57
Abbey Income	34.3	37.1	+0.1	9.33
Abbey W'Wide Bd Tst.	92.1	97.5	−0.1	6.87
Abbey Inv. Tst. Fnd.	47.0	50.8xd	−0.1	5.00
Equitas Prog. Tst.	82.1	88.8	−0.4	4.85

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt Trust	91.8	96.6	−0.2	12.67

Allied Hambro Ltd. (a)(g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	86.0	92.0xd	−0.2	6.03
Brit. Inds. Fund	77.0	82.4	−0.2	6.31
Growth & Income	48.1	51.5	−0.3	5.40
Elect. & Ind. Dev.	42.9	45.9	−0.2	5.34
Allied Capital	92.4	98.9	−0.5	4.50
Hambro Fund	132.6	141.9	−0.4	6.12
Hambro Acc. Fund	169.8	181.7	−0.7	4.95
Income Funds				
High Yield Fd.	64.4	68.9xd	+0.1	10.01
High Income	76.0	81.3xd	.....	7.81
A. H. Eq. Inc.	44.5	47.6	−0.1	7.63
Govt. Secs.	26.3	27.8	.....	11.78
International Funds				
International	32.8	35.1	−0.1	3.08
Pacific Fund	55.8	59.7	+0.4	2.06
Secs. Of America	67.0	71.7	−0.4	2.51
Specialist Funds				
Smaller Co.'s Fd.	51.8	55.4	.....	4.60
2nd Smlr. Co's Fd.	60.4	64.6xd	−0.1	4.64
Recovery Sits.	127.4	136.3	−0.1	6.13
Met. Min. & C'dty.	71.8	76.8	−0.4	3.84
Overseas Earnings	67.4	72.1	−0.3	5.34
Exempt Funds				
Income Exempt	—	50.8	.....	8.50
Far East Exempt	61.7	64.2	+0.4	2.34
Smaller Co. Exempt	91.2	95.3	+0.2	4.68
U.S.A. Exempt	114.3	118.9xd	−0.5	2.94

Anderson Unit Trust Managers Ltd.
158, Fenchurch St., EC3M 6AA. 623 9231

Anderson U.T.	66.6	71.2xd	.....	4.75

Ansbacher Unit Mgmt. Co. Ltd.
1, Noble St., EC2V 7JA. 01-623 6376

Inc. Monthly Fund	148.0	150.0xd	.....	12.50

Arbuthnot Securities Ltd. (a)(c)
37, Queen St., London, EC4R 1BY. 01-236 5281

[illegible]

Confederation Funds Mgt. Ltd. (a)
50, Chancery Lane, WC2A 1HE. 01-242 0282

Growth Fund	68.8	72.4	.....	4.11

For Cosmopolitan see Chieftain Fund Managers.

Craigmount Unit Tst. Mgrs. Ltd.
Bucklersbury, London EC4N 8BD. 01-248 4984

High Income	36.6	40.0	+0.2	11.30
North American	56.0	60.4xd	−0.1	2.85
Canadian Exempt*	61.7	65.2	.....	3.42
Canadian Trust	61.8	66.8	−0.8	2.69
Mid Mount High Inc.*	48.5	51.3xd	.....	9.41
Recovery	58.1	63.2	.....	6.83
Gilt Trust	44.2	46.2xd	−0.1	12.53

*Weekly dealing day Wednesday.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 4931

Cres. Amer. Fd.	35.0	37.8	−0.3	0.99
Cres. Internat'l.	69.3	74.7	+0.1	2.34
Cres. High. Dist.	41.9	45.2	.....	10.79
Cres. Reserves	50.3	54.3	−0.1	5.52
Cres. Tokyo	23.1	24.8xd	+0.4	0.76

Dartington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon 0271 76324

Total Perf. Unit Tst.	24.1	25.9	.....	12.29

Discretionary Unit Fund Managers
36/38 New Broad St, EC2M 1NU. 01-638 4485

Disc. Inc. Sept. 26	219.5	234.2	−6.3	5.72

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	17.3	19.1	.....	7.60
Gt. Winchester O'seas.	23.8	26.4	.....	4.22

Emson & Dudley Tst. Mngmnt. Ltd.
20b Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	82.1	88.3	.....	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	85.2	89.6xd	−0.5	4.92

Fidelity International Management Ltd.
62-63 Queen St., London EC4 1AD 01-248 4891

American	29.3	31.6	−0.5	1.02
Gilt + Fixed Int.	25.6	27.0	−0.1	12.15
Growth + Income	31.2	33.6	+0.2	7.22
Special Sits.	35.8	38.6xd	−0.3	2.31

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	35.5	38.2	.....	1.48
Accum. Units	43.7	46.9	.....	1.48
J. Finlay High Income	34.5	37.1xd	.....	10.44
J. Finlay Euro.Fin.	21.3	22.9xd	.....	3.94
Accum. Units	26.6	28.6xd	.....	3.94
J. Finlay Fd.In.Tst.	39.1	42.0	.....	5.55
Accum. Units	48.2	51.9	.....	5.55

Prices on Sept. 17. Next dealing Sept. 24.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

Amer. & Gen. Sept. 22	68.8	73.4xd	.....	0.90
Am. T'around Sept. 22	63.6	68.0	.....	1.75
Capital Tst.	56.8	60.6xd	−0.2	5.54
(Accum. Units)	59.2	63.2	.....	5.52
Extra Income Trust	49.0	52.2	.....	10.46
Income Tst.	39.0	41.6	−0.2	8.53
Int. Growth Fd.	54.4	58.0	−0.4	1.84
(Accum. Units)	57.8	61.8	−0.4	1.84

Friends' Provdt. Trust Mgrs.♥
Pixham End, Dorking. 0306 5055

[illegible]

M & G Group (y)(c)(z)
Three Quays, Tower Hill, EC3R 6BQ. 01-626 4588

[illegible]

Providence Capitol Life Assc. Co. Ltd.
30 Uxbridge Road, W12 8PG. 01-749 9111

Sel. Mkt. Fd. Cap.	107.8	113.9	.....	—
Sel. Mkt. Fd. Std.	130.4	137.7	.....	—
Pension Equity	171.9	177.2	.....	—
Pension Fxd. Int.	146.3	150.8	.....	—
Deposit Fd. Acc.	56.9	60.0	.....	—
Equity Fd. Cap.	60.1	63.4	.....	—
Equity Fd. Acc.	60.1	63.4	.....	—
Fxd. Int. Cap.	50.3	53.0	.....	—
Fxd. Int. Acc.	55.0	58.8	.....	—
Intnl. Cap.	40.8	43.0	.....	—
Intnl. Acc.	47.0	49.6	.....	—
Managed Fd. Cap.	51.9	54.7	.....	—
Managed Fd. Acc.	57.7	60.9	.....	—
Property Fd. Cap.	69.7	73.5	.....	—
Property Fd. Acc.	75.4	79.5	.....	—

Provincial Life Assurance Co. Ltd.
222 Bishopsgate, EC2. 01-247 6533

Prov. Managed Fd.	151.8	159.8	.....	—
Prov. Cash Fd.	123.9	131.5	.....	—
Gilt Fund	134.5	141.6	−0.6	—
Property Fund	129.8	136.7	.....	—
Equity Fund	141.0	149.5	+0.1	—
Fxd. Int. Fund	114.7	120.8	−0.3	—

Prudential Pensions Limited♦
Holborn Bars, EC1N 2NH. 01-405 9222

Equity Fd. Sep. 19	35.96	37.07	.....	—
Fixed Int. Sept. 19	24.00	24.32	.....	—
Prop. Fd. Sept. 19	40.83	42.09	.....	—

Reliance Mutual
Tunbridge Wells, Kent. 0892 22271

Rel. Prop. Bds.		292.3	.....	—

Rothschild Asset Management
St. Swithins Lane, London EC4. 01-626 4356

N.C. Prop.	156.2	166.2	.....	—

Next sub. period Sept. 30/Oct. 15

Royal Insurance Group
New Hall Place, Liverpool. 051-227 4422

[illegible]

Welfare Insurance Co. Ltd.♥
Winslade Park, Exeter. 0392-52155

Moneymaker Fd.		120.5	−0.1	—

For other funds, please refer to The London & Manchester Group.

Windsor Life Assur. Co. Ltd.
Royal Albert Hse., Sheet St., Windsor 68144

Investor Units	94.4	99.3	.....	—
Accum. Pen. Units	140.4	147.7	.....	—
Flex. Inv. Growth	121.5	127.9	.....	—
Future Assd Growth	26.0(A)	58.0(B)	.....	—
Ret. Ass'd Pen.		£31.89	.....	—

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933

Albany $ Fd. : CO	US$19.05	161.01xd	.....	1.38

Next dealing Sept. 25.

Alexander Fund
37, rue Notre-Dame, Luxembourg.

Alexander Fund	US$14.00		.....	—

Net asset value Sept. 22.

Allen Harvey & Ross Inv. Mgt. (C.I.)
1 Charing Cross, St. Helier, Jsy., C.I. 0534-73741

AHR Dollar Inc. Fd.	US$10.26	10.27	.....	11.17
AHR Gilt Edg.Fd.	£12.07	12.15xd	−0.02	13.17

Alliance International Dollar Reserves
c/o Bank of Bermuda, Hamilton, Bermuda.

[illegible]

INSURANCE PROPERTY BONDS

[illegible]

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

High	Low	Stock	Price £	+ or –	Int.	Red. Yield
91	82¼	Aust. 5½pc '81-82	88¾	......	6.19	13.88
85¼	72½	Do. 6pc 1981-83	84	......	7.30	13.02
67	58	N.Z. 7¼pc 1988-92	65¾	......	11.31	13.38
81½	72	Do. 7½pc '83-86	80¾	......	9.53	27.09
96¾	88	Sth. Africa 9½pc '79-81	93xd	+1	10.10	15.60
160	95	S. Rhod. 2½pc Non-Ass.	104	......	—	29.86
169	133	Do. 6pc '78-81 N.-As.	150	......	—	24.76

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

High	Low	Stock	Price	+ or –	Div. Gross	Cvr	Yld Gr's
22⅞	12¼	Hollinger $5	21¼	+1¼	$2.20	—	4.0
11½	850p	Hudson's Bay ‖	880xd	......	$1.20	—	5.2
14¼	925p	Hud.B.Oil & G. $2½	11⅜	–⅛	h57½	—	1.9
21⅞	13⅛	Imperial Oil‖	15⅝	+⅞	$1.40	—	3.4
14	855p	Inco‖	10½	+1⁄16	72c	—	2.6
565p	425p	Int. Nat. Gas $1	515p	–5	$1.00	—	7.3
495p	250p	Massey Ferg.‖	275p	+10	—	—	—
200p	97p	Place Gas $1	110p	–7	—	—	—
14⅞	10½	Rio Algom	13⅝	......	$1.50	—	4.2
19¾	14¼	Royal Bk.Can. $2	19⅝xr	......	$2.56	—	5.0
25⅞	15⅞	Seagram Co. C$1	25⅞	......	$US1.10	—	1.9
12	890p	Tor. Dom. Bk. $1	11	......	$1.44	—	4.9
10½	790p	Trans Can. Pipe	800p	......	$1.16	—	5.5

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY
Telex: Editorial 8954871. Advertisements: 885033. Telegrams: Finantimo, London.
Telephone: 01-248 8000.

Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1.
Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1.

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هكذا من الأصل

INDUSTRIALS—Continued

INSURANCE—Continued

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

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Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

FINANCE, LAND—Continued

OIL AND GAS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—Continued

Australian

Tins

Copper

Miscellaneous

High	Low	Stock	Price	+ or -	Div. Net	Cvr	Y'ld Gr's
17	12	Burma Mines 10p	14	......	0.62	1.1	6.4
287	53	Colby Res. Corp.	287	+39	—	—	—
502	285	Cons. Murch. 10c.	360	......	MQ100c	1.8	15.9
180	80	††Hemerdon 10c.	95	......	—	—	—
585	325	Northgate C$1	500	-20	—	—	—
*486	322	R.T.Z.	468xr	-7	t16.0	3.2	4.9
46	16	Robert Mines	36	-4	—	—	—
112	91	††SPO Minerals 10p	96	......	—	—	—
58	26	Sabina Inds. C$1	42	-3	—	—	—
51	31	††SWCM 10p	40	......	—	—	—
650	411	Tara Exptn. $1	625	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ☆ Regional price.
- 0 No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

			IRISH		
Albany Inv. 20p	35	......	Conv. 9% '80/82	£94	......
Bertam	15	......	Nat. 9¾% 84/89	£82¾	......
Bdg'wtr. Est. 50p	465	......	Fin. 13% 97/02	£90¼	......
Craig & Rose £1	£12	......	Alliance Gas	51	+1
Fife Forge	35	......	Arnott	210	......
Finlay Pkg. 5p	24	......	Carroll (P.J.)	75	......
Graig Ship. £1	£13	......	Clondalkin	110	-6
Higsons Brew.	73	......	Concrete Prods.	80	......
Holt (Jos) 25p	250	......	Helton (Hldgs.)	29	......
I.O.M. Stm. £1	152	......	Ins. Corp.	275	......
Pearce (C. H.)	465	......	Irish Ropes	90	-2
Peel Mills	45	......	Jacob	32	......
Sheff. Refrshmt	59	......	T.M.G.	67	-2
Sindall (Wm.)	141	......	Unidare	75	......

OPTIONS

3-month Call Rates

Industrials		I.C.I.	27	Utd. Drapery	6½
A. Brew	7	"Imps"	6½	Vickers	12
BDC Intl.	6	I.C.L.	14	Woolworths	5½
B.S.R.	4½	Inveresk	4		
Babcock	8	Ladbroke	15	Property	
Barclays Bank	34	Legal & Gen.	15	Brit. Land	7
Beecham	10	Lex Service	8	Cap. Counties	9
Blue Circle	25	Lloyds Bank	24	Land Secs.	24
Boots	16	"Lofs"	3½	MEPC	17
Bowaters	15	London Brick	6	Peachey	13
B.A.T.	20	Lucas Inds.	17	Samuel Props.	12
Brown (J.)	6	"Mams"	14	Town & City	2
Burton 'A'	10	Mrks. & Spncr.	8		
Cadburys	5½	Midland Bank	26	Oils	
Courtaulds	8	N.E.I.	5		
Debenhams	8	Nat. West. Bank	27	Brit. Petroleum	32
Distillers	17	P & O Dfd.	10	Burmah Oil	20
Dunlop	7½	Plessey	14	Charterhall	10
Eagle Star	15	Racal Elect.	22	KCA	11
F.N.F.C.	2¼	R.H.M.	4½	Premier	13
Gen. Accident	21	Rank Org.	15	Shell	35
Gen. Electric	30	Reed Intnl.	16	Tricentrol	40
Glaxo	10	Sears	5	Ultramar	35
Grand Met.	12	Tesco	6		
G.U.S. 'A'	34	Thorn	25	Mines	
Guardian	23	Trust Houses	12	Charter Cons.	14
G.K.N.	20	Tube Invest.	23	Cons. Gold	40
Hawker Sidd	15	Unilever	40	Lonrho	6
House of Fraser	15	U.D.T.	5½	Rio T. Zinc	35

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 28

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

FINANCIAL TIMES
Saturday September 27 1980

MAN OF THE WEEK

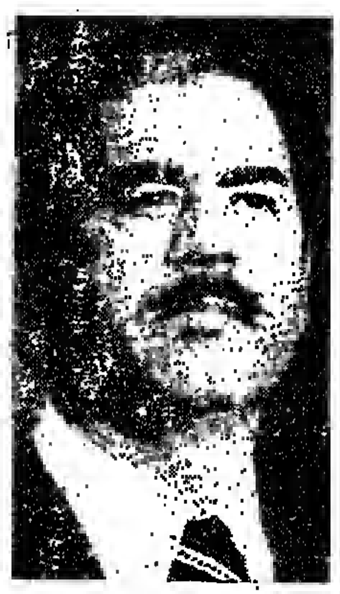
Devious political infighter

BY PATRICK COCKBURN

ASTUTE, rothless, but above all cantious, Mr. Saddam Hussein, the President of Iraq, acted out of character when he launched his invasion of Iran last weekend. In past conflicts he has always sought to keep his options open, to maintain a line of retreat. In the present struggle the outcome is a simple choice between victory and defeat.

Since he became the most powerful political leader in Baghdad in 1968, Mr. Hussein has steered clear of active involvement in wider political struggles in the Middle East, confining his radicalism to militant rhetoric and action only when Iraq's immediate interests were threatened.

This is not because of timidity. For five or six years after his ruling Ba'ath party came to power in a conp in 1968, its ability to fend off its



Saddan Hussein

Genial oppearance of a well-dressed teddy bear.

domestic aod foreign enemies was always in doubt. Its success was largely due to Mr. Hussein's exceptional abilities as a political infighter. He successively isolated the military wing of his own party and the Kurdish rebels in the north aod crushed them.

His genial appearance, remioiscent of a well dressed teddy bear, belies bis natural ferocity. In his early twenties he personally attempted to assassinate the Iraqi Prime Minister, General Kassem, and was forced to flee into exile. Though a believer in the Ba'ath party's ideological mix of socialism and Arab nationalism, the speed of his rise to power in the 1960s owed more to his family connections in the town of Tikrit on the Tigris north of Baghdad. He shared a common birthplace with, and was related to, many Ba'ath party leaders, notably General Ahmed Hassan al-Bakr whom ha replaced as President last year.

Yet such family and tribal solidarity, even when combined with the pervasive control of the secret police, would have been insufficient to allow the Ba'athists to retain their grip on power. Mr. Hussein has himself said that they were unpopular when they took over. In a series of devious manoeuvres he established the power of the civilian side of his party in his ruling Revolution Command Council.

After 1973 oil wealth was more judiciously used in Iraq than in Iran. Plans for grandiose and vastly expensive projects were cut back. Corruption was never as pervasive as io the other oil states. Foreign support was secured through an alliance with the Soviet Uoion, though amity between Baghdad and Moscow was always limited. The Shah was forced to abandon bis support for the Kurds fighting in the mountains of northern Iraq. Distrusted and feared in the Arab world, Mr. Hussein won a certain respect for these achievements—the fruit of his ability to plao carefully aod apply overwbelming force at the right moment.

After the Iranian revolution the focus of Middle East politics shifted east to the Gnif, away from the borders of Israel. Irao ceased to be the dominant power in the Gulf, its oil production fell below Iraq's, and President Hussein saw an opportunity to become the domioant power amongst scantily populated oil states of the Arabian peninsula and launched a limited war. He needs a quick victory. A prolonged conflict against an intransigent Ayatollah Khomeini will leave him few opportunies for the political manoeuvres he has so successfully masterminded in the past.

Government fears growing claims on public funds

BY JOHN ELLIOTT AND ALAN PIKE

GOVERNMENT Ministers fear that they will receive a spate of demands from nationalised industries for extra public funds during the coming months following yesterday's announcement that the British Steel Corporation is to receive en extra $400m in the current financial year.

The growing pressures on other industries' external financing limits was emphasised yesterday, at a meeting of the Nationalised Industries' Chairmen's Group. This took place shortly after Sir Keith Josepb, Industry Secretary, announced the new funding arrangements for British Steel.

The Government has already announced that it is modifying its policy of strict external financing limits by providing an extra £40m for British Rail. It is also being asked for additional funds by British Shipbnilders.

Chairmen at yesterday's meeting showed their determination to try to curb expenditure by introdncing economies and offering relatively low pay deals this winter.

Bnt several of them will tell Ministers during discussions in the coming weeks on next year's limits, that their external financing arrangements must be extended.

Following yesterday's announcement, Mr. Ian MacGregor, BSC chairman, will present a corporate plan to Sir Keith in December. This will be drawn up after the heads of the de-centralised business groups which Mr. MacGregor is creating have taken stock of the position.

The corporate plan will be considered by the Government before the end of January. Ministers will at this stage determine BSC's final revised external financing limit for the current financial year and also set the limit for 1981-82.

Sir Keith annonnced yesterday that he would raise the corporation's £450m cash limit by £400m. He is also to release—as previously agreed—an unused balance of £121m which was carried over from last year because of the steel strike.

The need for the Government to abandon the limits it had set for BSC was first accepted by Sir Keith in a statement to the House of Commons in June. In a statement yesterday the Department of Industry pointed to the sharp decline in UK demand for steel in recent months, as a result of which BSC's steelmaking capacity remained greatly excessive, in spite of plant closures.

But the statement stressed that it will "clearly be necessary" for BSC to take effective and determined action to improve its financial position. "The Government remains determined that there should be a significant improvement in the BSC's financial position as quickly as possible."

BSC's losses this year are expected at least to equal last year's £545m, and the extra £400m approved yesterday may not be the last extra support which the Government has to give. But account must be taken of the fact that BSC will he spending substantial amounts this year which are not related to operating costs—for example, about £300m of the cost of the redundancy and closure programme will have to be met this year.

Meriden gets fresh start

BY JOHN GRIFFITHS

THE GOVERNMENT is prepared to write off nearly £8m in loans, interest and credits to allow the Meriden motor-cycle co-operative a fresh start. No new, outside partner is involved in the agreement announced yesterday.

The offer is conditional on the co-operative repaying to the Export Credits Guarantee Department half of the £4m that the department bas been obliged to pay out on motor-cycle stocks in the U.S. that have remained unsold.

The department is, thus, effectively writing off £2m. The rest of the proposed write-off comprises £4.2m in loans and £1.687m in interest owed by the co-op to the Department of Industry.

Meriden claims its sales in the U.S. have been hampered by uncertainty about its future since the Government last July refused to waive its loan and gave the co-operative three weeks to find a solution to its financial difficulties.

Yesterday's offer, however, would allow the co-op to raise the £2m from U.S. sales in the coming months and give it "a real chance to prosper," said Mr. Geoffrey Prosper, the Labour MP for Coventry Northwest, who has been acting as Meriden's unpaid chief executive. There are more than 2,000 hikes, worth £4.4m, in the U.S.

Ministers are understood to bave decided to allow the write-off for the principal reason that if the co-operative were to be closed down there would he little prospect of recovering any of their funds after the guarantee department, the Department of Industry or the company's private creditors had beeo paid off.

The yclaim that they are not doing a "U turn" on their industrial policies hut are merely trying to recoup as much as possible of the State aid provided by the last Government.

Lord Trenchard, Minister of State for Industry, stressed yesterday that the guarantee department's decision did not represent any further financial assistance to the co-operative bnt "the removal of this shadow from Meriden will help it fulfil its uodertakings to the ECGD and I wisb it well."

An informal committee of Meriden's creditors has approved the proposals and is to recommend them to all the trade creditors, who are owed a total of about £1m.

Moss Evans denies union purge

BY CHRISTIAN TYLER, LABOUR EDITOR

SUGGESTIONS that the Transport and General Workers Union bas embarked on a purge of right-wingers from senior posts within the TUC were angrily denied by Mr. Moss Evans, Transport Union general secretary, yesterday.

There was no connection between the two TUC committee changes this week, and he would consult his legal department if allegations of a conspiracy persisted, said Mr. Moss Evans.

Earlier yesterday Mr. Tom Jackson, general secretary of the Union of Communications Workers—a prominent rightwioger in trade union terms—suggested in a BBC radio interview that TUC leaders like bimself who were "in favour of free speech" were in danger of being ousted. If that were so, the moderates might bave to organise themselves to display their undoubted strength in the TUC's structure, he said.

This week's unusally public row began when Mr. Frank Cbapple, general secretary of the Electricians Uoion was voted off the TUC's most senior committee, the finance and general purposes committee, apparently for persistent disregard of collective responibility. It continued on Thursday when Mr. Sid Weighell, General Secretary of the National Union of Railwaymen, lost the chairmanship of the transport industries committee. Mr. Weighell claimed he bad been punished for opposing Mr. Chapples removal.

One possible explanation to emerge yesterday was that there had been a mix-up at the TGWU. Mr. Evans said that had he still been a member of the transport committee this year he would probably have nominated Mr. Weighell for the chairmanship.

But his deputy, Mr. Alec Kitson, who also denied any connection between the two votes, said the union had decided two weeks ago to nominate its executive officer, Mr. Larry Smith.

Efforts are now heing made to smooth over the incident.

TUC: the cracks begin to show, Page 17

IBH chief to take over Terex

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

HERR Horst-Dieter Esch, tha 37-year-old chief executive of West Germany's IBH group of construction equipment companies, is poiseo this weekend to clinch his most ambitious deal so far hy taking over the Terex division of General Motors.

The deal mcans Herr Esch will be renewing his links with Blackwood Hodge, the UK-based distrihutors of Terex cqnipment in many parts of the world, which provided the launcbing pad for bis spectacular career io the construction equipment husiness. When the agreement between GM and IBH is signed in Detroit on Monday, it will include an arrangement for the Blackwood Hodge distribution rights to continue. Sales and servicing of Terex equipment amount to aruund 40 per cent of Blackwood Hodge's turnover.

Seven years ago, Herr Esch started his caieer by running the continental operetions of Blackwood Hodge. He went on to set up IBH in Germany by buying a conple of companies. He then expanded into France, and last year hought Hymac in the UK from Powell Duffryn, and Hanomag in Germany from Massey-Ferguson. This year, he made bis first entry into the U.S. by buying a small stake in the Pettibone Corporation.

The Terex takeover will bring the turnover of IBH, wbich is still a private company, np to well over $1bn (£420m), probably making it one of the top five construction equipment groups in the world. Herr Esch is the largest shareholder in IBH. Powell Duffryn has a 23 per cent stake, and GM will also be taking a minority stake under the sale agreement. GM will also supply IBH with technical and financial assistance on Terex during the early years of its new ownership.

Terex manufactures beavy earthmoving equipment, mainly at plants in Hudson, Ohio, Belo Horizonte in Brazil, and Motherwell and Peterhead in Scotland.

Continued from Page 1

Iraq

Iraqi crude are France, Brazil, Italy, Spain and India. French and Brazilian companies were said to he urging the Iraqi National Oil Compaoy to make oil available through pipelines in the Mediterranean.

According to industry analysts in London, Iraq could ship as much as 1.75m harrels a day through pipelines and eastern Mediterranean shipping terminals.

Unconfirmed reports suggested late yesterday that Iraqi crude was being pumped through the trans-Syrian pipe- [illegible]

Continued from Page 1

U.S. prime rate

and housing sectors have warned that the prospects for growth in these will be destroyed if interest rates climb much further.

In the last two months, the prime has advauced from 10.75 to 13 per cent. Other rates, such as the cost of bome mortgages, bave shown similar gains.

Reactions from Wall Street economists yesterday to these trends ranged from the non-committal to the alarmed, with several forecasting that a new upward push in rates would be enough to interrupt the fragile economic growth of the last [illegible]

Dr. Henry Kaufman of Salomon Brothers said the Fed's move illustrated again the burden it was carrying as "the sole restraining force cast further damage to the bond markets aod more pressure oo short term interest rates as corporations seek to avoid long term debt commitments at current high rates.

The Fed is clearly boping that an 11 per cent discount rate — that rate's first boost since mid-February — will be enough to slow down basic money supply growth, which is running at almost twice the [illegible] level.

Rank and Toshiba may close TV subsidiary

By Guy de Jonquieres

THE RANK ORGANSISATION and Toshiba of Japan may close Rank Toshiba, their joint television manufacturing subsidiary in the UK.

Rank said yesterday the two parent companies agreed that the operaton, which has a production factory in Plymouth and a smaller assembly plant at Redruth, Cornwall, was not viable in its present form. Also, it could not achieve the market penetraton, especially on the Continent, envisaged when it was sat up two years ago.

Rang has offered its 70 per cent share in the joint subsidiary to Tosbiba. If the offer is not accepted the partners will try to sell he company to a third party, failing which there would he no alternative to closing it.

Rank is also seeking a huyer for Rank Radio International, its distribution and service subsidiary. If the search is unsuccessful, it will also close ths operation after a phased run-down.

The closure of both operations would result in a loss to Rank of about £25m, most of which would be chargeable against reserves.

Toshiba said yesterday it was studying the situation and hoped, to decide quickly whether to accept Rank's offer. But t added that it wanted to maintain colour television production facilities in Britain.

Several other Japanese manufacturers bave set up television production plants in the UK recently. None has so far reported heing in difficulty. Hitachi has a joint subsidiary with General Electric Company, while Mitsubishi, National Panasonic and Sony operate plants of their own.

Mr. Brian Smith, Rank's director of industrial and consumer products, blamed Rank Toshiba's problems on the increase in the valne of the pound, rises in production costs and the weakness of the British market.

Rank Toshiba's production was expected to be as much as 100,000 sets short of the 350,000 forecast for next year made when the venture was launched. Much of the shortfall was due to poor export performance.

The original forecast had assumed the pound would stay at its 1978 exchange rate or rise only slightly. Mr. Smith said it would have to fall to about $1.50 for the operation to return a really satisfactory profit.

Rank Toshiba lost almost £1.1m in the last financial year, and Mr. Smith said the rate of loss had worsened significantly since the spring.

Weather

UK TODAY

Mostly cloudy with rain spreading from the west. Near normal temperatures.

S.E. England

Sunny intervals but becoming clondy with, perhaps, rain later. Max. 19C (66F).

S.W. England, Wales

Mainly cloudy with occasional rain. Max. 17C (63F).

Midlands, Northern England and Cbannel Islands

Cloudy but with a few sunny intervals at first aod then rain spreading from the west. Max. 18C (64F).

W. Scotland and N. Ireland

Cloudy with heavy rain at times but becoming brigbter and drier from the west. Max. 14C (57F).

E. Scotland and N.E. England

Mainly cloudy with a few hright intervals. Occasional rain. Max. 17C (63F).

Outlook: Sunny intervals and showers but rain in the east at first and in the north-west later. Rather cool.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	24	75	L. Plms.	F	24	75
Alxndria.	F	28	82	Lisbon	S	24	75
Algiers	C	21	70	Locarno	S	22	72
Amsdm.	S	18	64	London	S	19	66
Athens	F	24	75	Luxmbg.	F	16	61
Bahrain	S	33	91	Luxor.	S	37	99
Barclna.	S	26	79	Madrid	S	27	81
Beirut	S	27	81	Majorca	S	28	82
Belfast	C	14	57	Malaga	S	25	77
Belgrd.	C	21	70	Malta	F	27	81
Berlin	F	16	61	Mchstr.	F	16	61
Biarritz	F	21	70	Melbne.	S	18	64
Bmghm.	F	17	63	Milan	S	24	75
Blackp'l	F	16	61	M'ntreal	R	11	52
Bordx.	S	25	77	Moscow	F	11	52
Boulgn.	S	18	64	Munich	C	14	57
Bristol	F	16	61	Nairobi	C	26	79
Brussels	F	14	57	Naples	S	26	79
Budpst.	C	15	59	Nwcstl.	F	16	61
Cairo	S	30	86	N. York	C	17	63
Cardiff	C	14	57	Nice	S	23	73
Casbca.	S	28	82	Nicosia	S	27	81
Cape T.	C	18	64	Oporto	F	18	64
Cologne	S	15	59	Oslo	S	14	57
Copnhgn.	S	26	79	Paris	C	17	63
Corfu	R	24	75	Perth	S	24	75
Dublin	F	16	61	Prague	F	15	59
Dbrvnk.	S	24	75	Reykjvk.	R	9	48
Ednbgh.	F	15	59	Rhodes	S	26	79
Faro	S	27	81	Riyadh	S	40	104
Florence	S	26	78	Rome	S	25	77
Frankf't	F	16	61	Salzb'rg	R	15	59
Funchal	F	24	75	Seoul	S	25	77
Geneva	S	19	66	Stckhm.	C	11	52
Gibrltr.	S	23	73	Strasb'g	C	18	64
Glasgow	R	15	59	Sydney	S	20	68
G'rnsey	C	16	61	Tangier	S	30	86
Helsinki	C	13	55	Tel Aviv	S	26	79
H. Kong	C	28	82	Tenerife	F	22	72
Innsbr'k	C	18	66	Tokyo	R	18	64
Invrnss.	C	18	64	Tunis	S	26	79
I.o.Man	R	14	57	Valencia	S	27	81
Istanbul	C	22	72	Venice	S	23	73
Jeddah	S	33	91	Vienna	C	15	59
Jersey	F	17	63	Warsaw	R	11	52
Jo'burg	R	9	48	Zurich	F	19	66

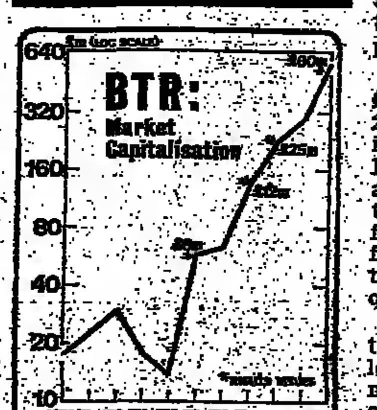
C—Cloudy F—Fair R—Rain S—Sunny

THE LEX COLUMN

BTR stands for rights issues

Conditions in the equity market have been very quiet this week, but there has been a steady downward drift, and the F.T. 30-Share Index lost 13.1 points to close at 481.0. The gilt-edged market has been apathetically wedged between worries abont rising U.S. interest rates (prime rate has now gone to 13 per cent) and high hopes for the next set of banking figures. The Treasury Bill tender returned to normal yesterday, although the Bank of England is still holding its dealing rates on bills a restraining fraction above the market.

Index fell 3.4 to 481.0



BTR

Given BTR's penchant for raising new equity (four rights issues now since 1975), the most surprising feature of yesterday's £60m casb call is that it was not announced along with the interim figures three weeks ago. The group apparently preferred to wait until its £65m takeover of Huyck—the U.S. manufacturer of papermaking equipment—was complete before coming out with a one-for-seven issue at 360p, a discount of 18½ per cent to the overnight market price.

The cash bid for Huyck involved £22m of goodwill, even after a revaluation of that company's assets. BTR has made a number of smaller acquisitions this year, and it seemed to be beading for year-end net borrowings of £100m or so against net tangible assets—boosted by a £20m write-up of overseas subsidiaries other than Huyck and including minorities—of the order of £180m. This scarcely represents a high level of gearing, hut BTR likes to preserve the maximum possible financial flexibility. As a result of the rights issue, the debt to equity ratio falls to around 20 per cent, a level which for BTR has usually heralded a burst of take-over activity. It seems reasonable to expect some more action soon.

Naturally enough, the equity market pushed Bestobell shares up 9p yesterday to 313p, where they stand 42 per cent above BTR's unsuccessful bid price of last year. But considering the efforts BTR is making to reduce the proportion of its capital employed in the UK, it would be odd if it were to hid for Bestobell on the basis of the current high price. On the other hand, BTR is holding on to its quarter stake in Bestobell (now worth £10.3m) and will presumably pounce if the shares come back significantly. At the moment, the most probable areas for expansion are the U.S., the Far East, and perhaps Germany.

The new issue will probably go down easily—a number of big funds are still underweight in BTR and there is no shortage of demand for the shares. And the 21.7 per cent forecast dividend increase should help things along; it is perfectly satisfactory, even though earlier this year there were some hopes that the dividend might be maintained on capital increased by a one for three scrip issue. The group believes it is too early to make a profit forecast, but the weakness of demand in the bome market makes it unreasonahle to expect pre-tax profits to top £70m (against £57.2m) even with two months of interest saving on the rights issue money.

As for next year, the rights issue is not big enough for dilution to be much of a problem. On the ex-rights, ex-dividend price of 350p the yield is 4.3 per cent.

Rank Organisation

The City's disenchantment with the Rank Organisation has been evident for some time in the share price, but yesterday's news still comes as a most unpleasant surprise. If Rank Toshiba and Rank Radio International are closed, trading losses and termination costs may amount to some £25m, and although the bulk of that will be chargeable against reserves, it looks as though the trading losses of these divisions in the year ending next month have been running at a far greater rate than expected.

Brokers Scott Goff Hancock had already been projecting a profits decline this year from £131m to £112½m, the result of a slowdown at Rank Xerox, the strength of sterling and another undistinguished performance by the non-Xerox activities. Now the brokers are lowering their target by £5m and more, and they do not rate the shares a buy at last night's price of 156p, down 4p.

Last year, Rank raised over £60m through a rights issue at 225p per share. Earlier in 1980, it talked about a strongly rising long term trend in group profits and a marked improvement in the return on capital. Allowing for the rights issue dilution, its fully taxed earnings per share this year could fall by over a quarter.

It would probably be unfair to lay the latest set of problems at the present management's door, and it might be said that if Rank could not succeed even with a powerful partner like Toshiba, then its task must have been pretty well hopeless. The closures, if they happen, will have a positive impact on cash flow, because losses will be eliminated and substantial current assets will be realised. And the balance sheet can take the strain, with tangible net assets at the last showing of about £[illegible]m.

The fact remains that Rank has still to show that it can get a grip on its non-Xerox manufacturing companies. This year has already brought a provision of around £3m in respect of film production losses and termination costs of £2.5m on the audio products [illegible]. It is turning out to be a very long tunnel.

Meriden

If the Government had pulled the plug on Meriden, it would not have recovered any of its outstanding loan and accrued interest, amounting to £5.9m. Under the terms of this loan, it ranks behind all other creditors. And it would have jeopardised the Export Credit Guarantee Department's chance of securing a decent price for the bikes on which it holds a lien. So the decision to write off the money, provided the ECGD can recover roughly 50p in the pound on what it is owed, looks like common sense. Even if all goes to plan, the Co-operative will still look quite a frail plant, with annual sales of around £8m or £9m, net worth of maybe £1m or less, and a bank credit facility of up to £1m, of which a large part has not yet been drawn.

Yet although yesterday's move does not mark a political "U" turn, the story of how an original commitment of £5m in 1973 turned into a drain of well over £20m on public funds is still one that Government Ministers should keep by their bedsides.

Registered at the Post Office. Printed by St. Clement's Press for and published by The Financial Times Ltd., Bracken House, Cannon Street, London EC4P 4BY.